# CITY COUNCIL AGENDA ITEM COVER MEMO

Agenda Item Number_____

Meeting Type: Regular

Meeting Date: 6/14/2012

Action Requested By:
Legal

Agenda Item Type
Resolution

Subject Matter:

Invoke letter of credit.

Exact Wording for the Agenda:

Resolution authorizing the Clerk Treasurer to invoke RBC Bank Letter of Credit No. 2050 for The Village at Overland Cove Subdivision.

**Note: If amendment, please state title and number of the original**

Item to be considered for: Action

Unanimous Consent Required: No

Briefly state why the action is required; why it is recommended; what Council action will provide, allow
and accomplish and; any other information that might be helpful.

Associated Cost:

Budgeted Item: No

MAYOR RECOMM~~ENDS OR~~ CONCURS: Yes

Department Head: _____

Date: 6-8-12

revised 3/12/2012

**RESOLUTION NO. 12-_____**

**WHEREAS**, RBC Bank issued a certain letter of credit (No. 2050), a copy of which is attached hereto and incorporated herein by reference, including any amendments thereto, in favor of the City of Huntsville, Alabama pursuant to Article 5 of the Subdivision Regulations for the City of Huntsville, Alabama; and

**WHEREAS**, the letter of credit is due to be invoked and the proceeds used in accordance with said subdivision regulations.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Huntsville, Alabama, that the City of Huntsville Clerk-Treasurer be and is hereby authorized to present for payment to RBC Bank Letter of Credit No. 2050, prior to the expiration date thereof, with the language as specified in said Letter of Credit.

**ADOPTED** this the 14th day of June, 2012.

_____
President of the City Council
of the City of Huntsville,
Alabama

**APPROVED** this the 14th day of June, 2012.

_____
Mayor of the City of
Huntsville, Alabama

RBC Bank™

5/W
Int

International Services - Standby L/C Unit
200 Providence Rd., 3rd Floor
Charlotte, NC 28207
S.W.I.F.T.: CNTAUS33
Tel.: 704-686-1467 or 704-686-1194
Fax: 704-686-1498
Toll-free: 1-800-938-6299

April 15, 2011

Amendment to Irrevocable Standby Letter of Credit Number 2050

Beneficiary:
City of Huntsville
P.O. Box 308
Huntsville, AL 35804

MS
4/18/11

Applicant:
Diltina Development Corp.
120 Gables Brook Drive
Huntsville, AL 35806

RE: Article 5 Sidewalk Letter of Credit for The Village at Overland Cove

Gentlemen:

We hereby amend our above referenced letter of credit as follows:

-expiry date extended to June 18, 2012

-amount decreased by $7,440.00 to a new aggregate total of $121,340.00

All other terms and conditions remain unchanged.

Sincerely,

RBC Bank (USA)

Glenda A. Martin
Authorized Signature

Claire D Niven
Authorized Signature

MN 4-20-11 OK CEIJ 4/25/11

RBC Bank™

June 18, 2009

International Services - Standby L/C Unit
200 Providence Rd., 3rd Floor
Charlotte, NC 28207
S.W.I.F.T.: CNTAUS33
Tel.: 704-686-1467 or 704-686-1194
Fax: 704-686-1498
Toll-free: 1-800-938-6299

Amendment to Irrevocable Standby Letter of Credit Number 2050

Beneficiary:
City of Huntsville
P.O. Box 308
Huntsville, AL 35804

Applicant:
Diltina Development Corp.
120 Gables Brook Drive
Huntsville, AL 35806

RE: Article 5 Sidewalk Letter of Credit for The Village at Overland Cove

Gentlemen:

We hereby amend our above referenced letter of credit as follows:

-expiry date extended to June 18, 2011

-amount decreased by $21,220.00 to a new aggregate total of $128,780.00

All other terms and conditions remain unchanged.

Sincerely,

RBC Bank (USA)

Glenda A. Martin
Authorized Signature

KJ Bender
Authorized Signature

OK MM 6/22/9

OK IMB 6/25/09

OK CE/J 6/25/09

First American Bank

SW gft

# IRREVOCABLE LETTER OF CREDIT NO. 2050

**Beneficiary:**
City of Huntsville
P.O. Box 308
Huntsville, AL. 35804

**Account Party:**
Diltina Development Corp.
120 Gables Brook Dr.
Huntsville, Al. 35806

**Bank:**
First American Bank
100 Church St.
Huntsville, AL. 35801

Subject: Article 5 Sidewalk, Letter of Credit for
**THE VILLAGE AT OVERLAND COVE.**

Amount: $150,000.00
Issue Date: 6/18/07
Exp. Date: 6/18/09

MS
6/14/07

Gentlemen:

We hereby open our Irrevocable Standby Letter of Credit in your favor, effective June 18, 2007, for a sum not to exceed the aggregate of $150,000.00. Available by your one or more drafts at SIGHT on us.

All draft(s) drawn under and in compliance with the terms of this Credit prior to the expiration thereof will be duly honored if drawn and presented for payment to First American Bank.

Each draft must be accompanied by a statement signed by a representative of the City of Huntsville, Alabama, stating that the draw is being made pursuant to Article 5 of the Subdivision Regulations.

**The original of this Letter of Credit must be presented with any drawing.**

We hereby engage with you that drafts drawn under and in compliance with the terms of the credit will be duly honored upon presentation and delivery of the documents as specified.

This Letter of Credit shall be governed by the laws of the State of Alabama, including but not limited to, the Alabama Uniform Commercial Code, as the same may be from time to time amended.

T. Chris Patty, Sr. Vice President

Timothy M. Singleton, Jr., President

OK
CE/8
6/25/07

OK KCA
6/22/07

RBC Bank™

Ref: First American Bank standby letter of credit number 2050 dated June 18, 2007

Dear Sir or Madam:

Effective April 11, 2008 First American Bank merged with an affiliated bank, namely RBC Bank (USA), a North Carolina banking corporation ("RBC Bank") with RBC Bank being the surviving entity. As a result of this merger, the above referenced standby letter of credit is now an obligation of RBC Bank (USA).

RBC Bank (USA) is regulated by the Federal Reserve Bank of Richmond, VA. It is a strong financial institution rated Aa3 / P-1 by Moody's, A / A-1 by S&P's and AA- by Fitch. It is a wholly owned subsidiary of Royal Bank of Canada, the sixth largest bank in North America and the largest and strongest bank in Canada.

Please amend your records to reflect that henceforth:

- any presentation made under the above referenced standby letter of credit must be made to:
  RBC Bank (USA)
  200 Providence Road, Suite 300
  Charlotte, NC 28207
  Attn: Standby Letter of Credit Unit

- Drafts should now be drawn on RBC Bank (USA).

- Contacts regarding this standby letter of credit are:

| | | |
|---|---|---|
| Claire Niven | 704 686 1186 | Claire.Niven@rbc.com |
| Kristal McCready | 704 686 1194 | Kristal.McCready@rbc.com |
| Glenda Martin | 704 686 1467 | Glenda.A.Martin@rbc.com |
| Kenneth Bender | 704 686 1489 | Kenneth.Bender@rbc.com |