

CITY COUNCIL AGENDA ITEM COVER MEMO

Agenda Item Number _____

Meeting Type: Regular

Meeting Date: 1/24/2013

Action Requested By:
Legal

Agenda Item Type
Resolution

Subject Matter:

Invoking letter of credit.

Exact Wording for the Agenda:

Resolution authorizing the Clerk Treasurer to Invoke North Alabama Bank Letter of Credit No. 389 for Park Hampton 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: Not applicable

MAYOR RECOMMENDS OR CONCURS: Yes

Department Head 

Date: 1-15-13

RESOLUTION NO. 13-_____

WHEREAS, North Alabama Bank issued a certain letter of credit (No. 389), 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 North Alabama Bank Letter of Credit No. 389, prior to the expiration date thereof, with the language as specified in said Letter of Credit.

ADOPTED this the 24th day of January, 2013.

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

APPROVED this the 24th day of January, 2013.

Mayor of the City of
Huntsville, Alabama



North Alabama Bank

Post Office Box 669
Hazel Green, Alabama 35750
256-828-9500

Irrevocable Standby Letter of Credit

Beneficiary

City of Huntsville
Clerk-Treasurer Office
P.O. Box 308
Huntsville, AL 35804
(hereinafter "City")

Applicant

Breland Homes, LLC
2101 West Clinton Avenue
Suite 501
Huntsville, AL 35805
(hereinafter "Developer")

Bank

North Alabama Bank
220 Providence Main
Huntsville, AL 35806

Letter of Credit Number: 389

Amount: \$88,400.00
Issue Date: 02/07/2011
Expiration Date: 02/07/2013

RE: Article 5 Sidewalk, Letter of Credit for Park Hampton Subdivision, a resubdivision of Lot 1 of Park Hampton Subdivision

Gentlemen:

We hereby issue our Irrevocable Standby Letter of Credit in your favor for the account of Breland Homes, LLC effective February 7, 2011, for a sum not to exceed the aggregate of eighty-eight thousand four hundred and 00/100 (\$88,400.00) dollars 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 dually honored if drawn and presented for payment to North Alabama Bank in Huntsville, Alabama.

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

The original of this letter of credit must be presented with any drawings.

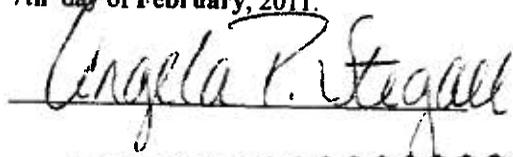
We hereby engage with you that draft(s) drawn under and in compliance with the terms of the credit will be duly honored upon presentation and delivery of the documents as specified.

This Letter of Credit shall be governed by 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.

ISSUED BY: North Alabama Bank
220 Providence Main
Huntsville, AL 35806

Sworn to and subscribed before me on the
7th day of February, 2011.


Terry D. West, Executive Vice-President



ok DB 2-10-11
OK MB 2-15-11
OK KB 2-15-11

OK
CEH
2/15/11

