

CITY COUNCIL AGENDA ITEM COVER MEMO

Agenda Item Number \_\_\_\_\_

Meeting Type: Regular

Meeting Date: 5/9/2013

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 Worthington Federal Bank Letter of Credit No. 2011-039 for The Preserve at Limestone Creek Subdivision, Phase I.

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

Item to be considered for: Action

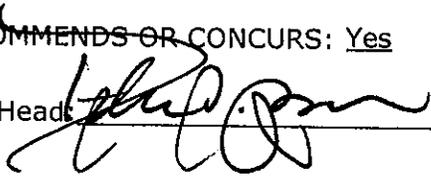
Unanimous Consent Required: No

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 RECOMMENDS OR CONCURS: Yes

Department Head: 

Date: 5-2-13

RESOLUTION NO. 13-\_\_\_\_\_

**WHEREAS**, Worthington Federal Bank issued a certain letter of credit (No. 2011-039), 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 Worthington Federal Bank Letter of Credit No. 2011-039, prior to the expiration date thereof, with the language as specified in said Letter of Credit.

**ADOPTED** this the 9th day of May, 2013.

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

**APPROVED** this the 9th day of May, 2013.

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Mayor of the City of  
Huntsville, Alabama



# Worthington FEDERAL BANK

...defining convenience a different way

## IRREVOCABLE LETTER OF CREDIT

Beneficiary:

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

Account Party:

Limestone Management, Inc.  
9620 Deer Track Court  
Brentwood, TN 3

Bank:

Worthington Federal Bank  
3301 Memorial Parkway S W  
Huntsville, AL 35801

Subject: Article 5 Sidewalks/Letter of Credit

For: The Preserve at Limestone Creek Subdivision Phase I

Amount: \$70,000.00

Letter of Credit # 2011-039

Issue Date: May 20, 2011

Expiration Date: May 20, 2013

MS  
5/24/11

Gentlemen:

We hereby open our Irrevocable Standby Letter of Credit in your favor, effective May 20, 2011, for a sum not to exceed the aggregate of \$70,000.00. Available by your one or more drafts at SIGHT on us.

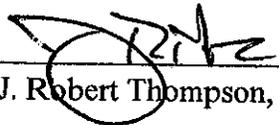
All draft(s) drawn under and in compliance with the terms of this Credit prior to the expiration thereof will be duly honored if drawn and presented for payment to Worthington Federal Bank.

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 State of Alabama Uniform Commercial Code, as the same may be from time to time amended.

  
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J. Robert Thompson, VI, Commercial Loan Officer

Date: May 20, 2011

OK KCA  
5/24/11