

CITY COUNCIL AGENDA ITEM COVER MEMO

Agenda Item Number _____

Meeting Type: Regular

Meeting Date: 7/25/2013

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 National Bank of Commerce Letter of Credit No. 40063900 for Walnut Cove Phase I Second Addition at Lake Forest.

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

Item to be considered for: Action

Unanimous Consent Required: No

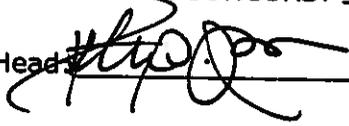
Briefly state why the action is required; why it is recommended; what Council action will provide, allow and accomplish and; any other information that might be helpful.

Associated Cost:

Budgeted Item: Not applicable

MAYOR RECOMMENDS OR CONCURS: Yes

Department Head



Date: 7/18/2013

RESOLUTION NO. 13-_____

WHEREAS, National Bank of Commerce issued a certain letter of credit (No. 400643900), 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 National Bank of Commerce Letter of Credit No. 400643900, prior to the expiration date thereof, with the language as specified in said Letter of Credit.

ADOPTED this the 25th day of July, 2013.

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

APPROVED this the 25th day of July, 2013.

Mayor of the City of
Huntsville, Alabama



**NATIONAL
BANK of
COMMERCE**

*5/10
MT*

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
National Bank of Commerce
300 Randolph Avenue SE
Huntsville, AL 35801

Letter of Credit Number: 400643900

Amount: \$142,508.00
Issue Date: August 5, 2011
Expiration Date: August 5, 2013

Re: Article 5 Sidewalk, Letter of Credit for, Walnut Cove Phase I Second addition at Lake Forest

Gentlemen:

We hereby issue our Irrevocable Standby Letter of Credit in your favor for the account of Breland Homes, LLC effective August 5, 2011, for a sum not to exceed the aggregate of One Hundred Forty-two Thousand Five Hundred Eight and 00/100 (\$142,508.00) 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 National Bank of Commerce 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 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.

Issued By: National Bank of Commerce
300 Randolph Avenue
Huntsville, AL 35801

W. Evans

W. Evans Quinlivan, President

Sworn to and subscribed before me on the
5 day of August 2011.

Heidi J. Surmann

HEIDI J. SURMANN
Notary Public, AL State at Large
My Comm. Expires Feb. 12, 2012

*M/S
3/9/11
L
-17-11
DK
0-15-u
JK
12K
1/18/11*

Compass Bank

CASHIER'S CHECK

50127073

Houston, Texas 77210-4444

35-16/820

GF S28461A Real Estate

Date 05-21-2009

05-21-2009/1M

Developers, Inc

THE SUM OF \$142,508dols 00cts

City of Huntsville, Alabama

[Handwritten Signature]

⑈ 50127073 ⑆ 062001186 ⑆ 151 5611 2 ⑆

F.U. BOX 4444
Houston, TX 77210
Phone 713-499-8642
Phone 713-499-8643
Fax 713-499-8659
www.compassbank.com

6628220035

CityOfHuntsville
CITY OF HUNTSVILLE
Clerk Treasurer's Dept. 055
0914701-1 05/27/2009 2
Wed May27,2009 02:19 PM

Name: LAND DEVELOPERS INC

- PERFORMANCE BONDS \$142,508.00
Tran Nbr: 091470101 0015 0016
Addit'l Info: SDWLK WALNUT COVE PH 1
GL: 01-0000-2251-0000 \$142,508.00

1 ITEM(S): TOTAL: \$142,508.00
Check GF (Chk# 50127073) \$142,508.00
Total Received: \$142,508.00

Thank You!

*****CUSTOMER COPY*****

t S28461A
Land Developers, Inc.
of Credit for Walnut Cove Phase 1 Second Addition at Lake Forest

ck number 50127073 in the amount of \$142,508.00 in settlement of
iced letter of credit.

ing this matter, please contact us at the telephone number listed

Sincerely,

Teresa Dever

Teresa Dever
Vice President

/enclosure

May 16, 2010
5/16/2011



Compass Bank

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94

P.O. Box 4444
Houston, Texas 77210-4444
713 499-8645 - Fax 713 489-8659
Toll Free 888 627-8860 - Fax 888 627-8861
www.compassbank.com

IRREVOCABLE STANDBY LETTER OF CREDIT NO. S28461A *International Trade Services*

PLACE AND DATE OF ISSUE:
HOUSTON, TEXAS MAY 18, 2007

DATE AND PLACE OF EXPIRY:
MAY 16, 2009 HUNTSVILLE, ALABAMA

APPLICANT:
REAL ESTATE LAND DEVELOPERS, INC.
2704 HAMPTON COVE WAY
HAMPTON COVE, AL 35763

ADVISING BANK:
NOT APPLICABLE

BENEFICIARY:
CITY OF HUNTSVILLE
308 FOUNTAIN CIRCLE
HUNTSVILLE, AL 35801

AMOUNT: USD142,508.00
(ONE HUNDRED FORTY-TWO
THOUSAND FIVE HUNDRED EIGHT
AND NO/100 U.S. DOLLARS)

RE: ARTICLE 5 SIDEWALK, LETTER OF CREDIT FOR
WALNUT COVE PHASE 1 SECOND ADDITION AT LAKE FOREST

GENTLEMEN:

WE HEREBY ESTABLISH OUR IRREVOCABLE STANDBY LETTER OF CREDIT IN YOUR FAVOR AVAILABLE BY BENEFICIARY'S SIGHT DRAFT(S) DRAWN ON COMPASS BANK ACCOMPANIED BY THE ORIGINAL OF THIS LETTER OF CREDIT AND THE FOLLOWING DOCUMENT(S):

- ORIGINAL OF BENEFICIARY'S STATEMENT SIGNED BY A REPRESENTATIVE OF THE CITY OF HUNTSVILLE, ALABAMA STATING THAT:

QUOTE

THE DRAW IS BEING MADE PURSUANT TO ARTICLE 5 OF THE SUBDIVISION REGULATIONS OF THE CITY OF HUNTSVILLE, ALABAMA.

UNQUOTE

SPECIAL CONDITIONS:

DRAFT(S) MUST BE MARKED: "DRAWN UNDER COMPASS BANK LETTER OF CREDIT NO. S28461A."

WE HEREBY ENGAGE WITH YOU THAT ALL DRAFT(S) DRAWN UNDER AND IN COMPLIANCE WITH ALL THE TERMS AND CONDITIONS OF THIS CREDIT WILL BE DULY HONORED IF DRAWN AND PRESENTED FOR PAYMENT BETWEEN THE HOURS OF 8:00 A.M. AND 4:00 P.M. MONDAY THROUGH FRIDAY ON A DAY WHEN THE CITY PRESIDENT'S OFFICE IS OPEN FOR BUSINESS AT 114 GOVERNORS DRIVE, 2ND FLOOR, ATTN: CITY PRESIDENT'S OFFICE, HUNTSVILLE, AL 35801 ON OR BEFORE THE EXPIRATION OF THIS LETTER OF CREDIT.

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.

Teresa Steves
AUTHORIZED SIGNATURE

TLC

JK 5-21-2007

62a KCA
5/21/07

OK
CZP
5/25/07