

CITY COUNCIL AGENDA ITEM COVER MEMO

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

Meeting Type: Regular

Meeting Date: 9/26/2013

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 Worthington Bank Letter of Credit No. 2012-043 for Inspiration on Green Mountain Subdivision.

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

Item to be considered for: Action

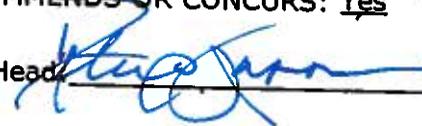
Unanimous Consent Required: No

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: 9.19.13

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

WHEREAS, Worthington Bank issued a certain letter of credit (No. 2012-043), 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 Bank Letter of Credit No. 2012-043, prior to the expiration date thereof, with the language as specified in said Letter of Credit.

ADOPTED this the 26th day of September, 2013.

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

APPROVED this the 26th day of September, 2013.

\_\_\_\_\_  
Mayor of the City of  
Huntsville, Alabama



**Worthington**  
**FEDERAL BANK**

*...defining convenience a different way*

S/W  
ad

IRREVOCABLE STANDBY LETTER OF CREDIT NO. 2012 - 043

**BENEFICIARY:**

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

**ACCOUNT PARTY:**

Diltina Development Corp  
7545 A HWY 72 West  
Madison, AL 35758

**BANK:**

Worthington Federal Bank  
3301 Memorial Parkway SW  
Huntsville, AL 35801

**RE: Article 5 Sidewalk, Letter of Credit for, Inspiration on Green Mountain a resubdivision of Tract 1 according to the Green Mountain Auction Property Plat Book 33 Pages 1 - 26**

**AMOUNT: \$87,405.00    ISSUE DATE: September 26, 2012    EXP. DATE: September 26, 2013**

Gentlemen:

We hereby open our Irrevocable Standby Letter of Credit in your favor effective September 28, 2012 for a sum not to exceed the aggregate of \$87,405.00. 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 in Huntsville, AL.

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 deliver 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.

Worthington Federal Bank

  
H. Shane Davis  
Senior Vice President

OK  
CENT  
10/10/12

MW 10-1-12

DB 10-1-12

AA KCA 10/21