

CITY COUNCIL AGENDA ITEM COVER MEMO

Agenda Item Number: _____

Meeting Type: Regular

Meeting Date: Apr 24, 2014

Action Requested By: Legal

Agenda Type: Resolution

Subject Matter:

Invoke Letter of Credit.

Exact Wording for the Agenda:

Resolution authorizing the Clerk-Treasurer to invoke Worthington Federal Bank Letter of Credit No. 2013-044 for 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: Not Applicable

MAYOR RECOMMENDS OR CONCURS: Yes

Department Head:  _____

Date: Apr 18, 2014

RESOLUTION NO. 14-_____

WHEREAS, Worthington Federal Bank issued a certain letter of credit (No. 2013-044), 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. 2013-044, prior to the expiration date thereof, with the language as specified in said Letter of Credit.

ADOPTED this the 24th day of April, 2014.

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

APPROVED this the 24th day of April, 2014.

Mayor of the City of
Huntsville, Alabama



Worthington FEDERAL BANK

...defining convenience a different way

IRREVOCABLE STANDBY LETTER OF CREDIT NO. 2013 - 044

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 – THE VILLAGE AT OVERLAND COVE

AMOUNT: \$43,475.00 ISSUE DATE: MAY 7, 2013 EXP. DATE: MAY 7, 2014

Gentlemen:

We hereby open our Irrevocable Standby Letter of Credit in your favor effective MAY 7, 2013 for a sum not to exceed the aggregate of \$43,475.00. 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 35801.

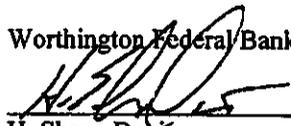
Each draft must be accompanied by a statement signed by a representative of the City of Huntsville, Alabama stating that the draw is being made pursuant to Article 5 of the Subdivision Regulations.

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
CE18
5/22/13

M
W
5-9-13

MS
5/10/13

on call
5/21/13

256.536.5626 • 3301 Memorial Parkway SW • Huntsville, Alabama 35801

worthingtonfederalbank.com