

CITY COUNCIL AGENDA ITEM COVER MEMO

Agenda Item Number: _____

Meeting Type: Regular

Meeting Date: Jun 26, 2014

Action Requested By: Legal

Agenda Type: Resolution

Subject Matter:

Invoking Letter of Credit.

Exact Wording for the Agenda:

Resolution authorizing the Clerk-Treasurer to invoke Progress Bank Letter of Credit No. 9000008900-02 for Midtowne on the Park Phase II 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: Jun 24, 2014

RESOLUTION NO. 14-_____

WHEREAS, Servis1st Bank issued a certain letter of credit (No. 16244), 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 Servis1st Bank Letter of Credit No. 16244, prior to the expiration date thereof, with the language as specified in said Letter of Credit.

ADOPTED this the 26th day of June, 2014.

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

APPROVED this the 26th day of June, 2014.

Mayor of the City of
Huntsville, Alabama

SERVISFIRST BANK
Post Office Box 18127
Huntsville, Alabama 35804
T 256.722.7800 F 256.722.7810
servisfirstbank.com

AMENDMENT TO
IRREVOCABLE LETTER OF CREDIT NO. 16244

Beneficiary:

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

Account Party:

Prime Link Corporation
809 Shoney Drive, Suite 108
Huntsville, AL 35801

Bank:

 Servis 1st Bank

ServisFirst Bank
401 Meridian Street,
Suite 100
Huntsville, AL 35801

Subject: Article 5 Sidewalk, Letter of Credit for Article 5 Sidewalk, Letter of Credit for the Preserve at Clayton Pond Phase II, a Resubdivision of Tract 22, Green Mountain Auction Property (Plat Book 33, Page 23) and Lot 3 of Green Mt. Estates Ph II A Resubdivision of Tract 23 of Green Mountain Auction Property (Plat Book 38, Page 63)

Amount: \$55,372.50
Issue Date: July 3, 2013
Expiration Date: July 3, 2014

Gentlemen:

We hereby amend our Irrevocable Standby Letter of Credit in your favor, effective July 3, 2013, for a sum not to exceed the aggregate of \$55,372.50 (Fifty Five Thousand and Three Hundred Seventy Two Dollars and 50/100) 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 ServisFirst Bank, 401 Meridian Street, Suite 100, Huntsville, Alabama 35801.

M
W 7-15-13

OK
CS/K

DS 7-16-13

7/22/13

OR EOA 7/19/13

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.

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.

This standby letter of credit is subject to and governed by the laws of the State of Alabama and UCP 600. For all purposes of this letter of credit, any provision of UCP 600 that, if applied, would conflict with Article 5 of the Alabama Uniform Commercial Code but for the application of such Article 5, shall be deemed excluded from UCP 600.



David Mathis
Senior Vice President

SERVISFIRST BANK
Post Office Box 18147
Huntsville, Alabama 35804
724.267.2700 FAX 724.267.2701
servisfirstbank.com

IRREVOCABLE LETTER OF CREDIT NO. 16244

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Amount: \$55,372.50
Issue Date: July 23, 2012
Expiration Date: July 23, 2013

Gentlemen:

We hereby open our Irrevocable Standby Letter of Credit in your favor, effective July 23, 2012, for a sum not to exceed the aggregate of \$55,372.50 (Fifty Five Thousand and Three Hundred Seventy Two Dollars and 50/100) 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 ServisFirst Bank, 401 Meridian Street, Suite 100, Huntsville, Alabama 35801.

DS 7-26-12
JMB 7-26-12
7/26/12

OK
C/L
7/26/12

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.

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.

This standby letter of credit is subject to and governed by the laws of the State of Alabama and UCP 600. For all purposes of this letter of credit, any provision of UCP 600 that, if applied, would conflict with Article 5 of the Alabama Uniform Commercial Code but for the application of such Article 5, shall be deemed excluded from UCP 600.



Mark McIntyre
Vice President