

CITY COUNCIL AGENDA ITEM COVER MEMO

Agenda Item Number: _____

Meeting Type: Regular

Meeting Date: Jul 10, 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 Servis1st Bank Letter of Credit No. 19106 for Big Cove Commons 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.

[Empty box for providing details on why the action is required, why it is recommended, what council action will provide, allow and accomplish, and any other helpful information.]

Associated Cost: _____

Budgeted Item: Not Applicable

MAYOR RECOMMENDS OR CONCURS: Yes

Department Head:  _____

Date: 7-2-14

RESOLUTION NO. 14-_____

WHEREAS, Servis1st Bank issued a certain letter of credit (No. 19106), 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. 19106, prior to the expiration date thereof, with the language as specified in said Letter of Credit.

ADOPTED this the 10th day of July, 2014.

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

APPROVED this the 10th day of July, 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



IRREVOCABLE LETTER OF CREDIT NO. 19106

Beneficiary:	Account Party:	Bank:
City of Huntsville P.O. Box 308 Huntsville, Alabama 35801	Jeff Parker P.O. Box 1965 Decatur, AL 35602	ServisFirst Bank 401 Meridian Street Suite 100 Huntsville, Alabama 35801

Subject: Article 5 Improvements/Pre-Acceptance Letter of Credit for Big Cove Commons

Amount: \$188,050
Issue Date: 7-15-13
Expiration Date: 7-15-14

Gentlemen:

We hereby open our Irrevocable Standby Letter of Credit in your favor, effective July 15, 2013, for a sum not to exceed the aggregate of One Hundred Eighty-Eight Thousand and Fifty Dollars and no/100 (\$188,050). 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.

MW 7-18-13
DB 7-19-13
KLA 7/23/13

OK
CEH
7/24/13

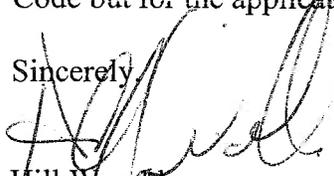
Each draft must be accomplished by a statement signed by a representative of the City of Huntsville, Alabama, stating that the draw is being made pursuant to Article 5 of the Subdivision Regulations.

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 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.

Sincerely,

A handwritten signature in black ink, appearing to read "Hill Womble", written over the word "Sincerely,".

Hill Womble
Senior Vice President