

CITY COUNCIL AGENDA ITEM COVER MEMO

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

Meeting Type: Regular

Meeting Date: Jul 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 Servis1st Bank Letter of Credit No. 12020 for Valleybrook 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: Mary C. Carter

Date: Jul 23, 2014

RESOLUTION NO. 14-\_\_\_\_\_

WHEREAS, Servis1st Bank issued a certain letter of credit (No. 12020), 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. 12020, prior to the expiration date thereof, with the language as specified in said Letter of Credit.

ADOPTED this the 24th day of July, 2014.

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

APPROVED this the 24th day of July, 2014.

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Mayor of the City of  
Huntsville, Alabama

2013 08/03 10:00 AM  
ServisFirst Bank  
Huntsville, Alabama 35801  
256742-7400 256742-7400  
www.servisfirst.com

**AMENDMENT TO IRREVOCABLE LETTER OF CREDIT NUMBER 12020**

**DATE:** August 3, 2013



**Beneficiary:**

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

**Account Party:**

Concord Development Company, Inc.  
1806 University Drive  
Huntsville, AL 35801

**Subject:** Article 5 Sidewalk, Letter of Credit for  
Valleybrook Subdivision

**Amount:** \$78,520.00

**Issue Date:** August 3, 2013

**Expiration Date:** August 3, 2014

**Place of Expiration:** At ServisFirst Bank, 401 Meridian Street, Suite 100 Huntsville, AL 35801

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Gentlemen:

(Per prior LOC's): We hereby amend our Irrevocable Standby Letter of Credit in your favor, effective August 3, 2013, for a sum not to exceed the aggregate of US\$78,520.00 (Seventy-Eight Thousand Five Hundred Twenty Dollars and No/100----). Available by your one or more drafts drawn at sight on us, stating "Drawn under ServisFirst Bank Letter of Credit Number 12020."

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, AL 35801.

Each draft must be accompanied by a statement purportedly 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."

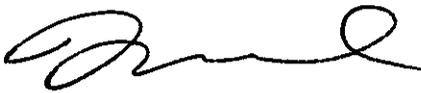
MW 9-10-13  
DB 9-13-13  
OK  
Q&H  
9/17/13  
OK KCA  
9/16/13

The original of this Letter of Credit and any amendments must be presented with any drawing.  
Page 2 of 2 – Letter of Credit #12020

We hereby engage with you that all drafts drawn under and in compliance with the terms of this credit will be duly honored upon presentation and delivery of the documents as specified if drawn and presented for payment to ServisFirst Bank on or before the expiry date.

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 'David Mathis', with a stylized flourish at the end.

David Mathis  
Senior Vice President

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

*Spew*

**AMENDMENT TO IRREVOCABLE LETTER OF CREDIT NUMBER 12020**

**DATE:** August 3, 2012



**Beneficiary:**  
City of Huntsville  
P.O. Box 308  
Huntsville, AL 35804

**Account Party:**  
Concord Development Company, Inc.  
1806 University Drive  
Huntsville, AL 35801

**Subject:** Article 5 Sidewalk, Letter of Credit for  
Valleybrook Subdivision

**Amount:** \$78,520.00

**Issue Date:** August 3, 2012

**Expiration Date:** August 3, 2013

**Place of Expiration:** At ServisFirst Bank, 401 Meridian Street, Suite 100 Huntsville, AL 35801

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Gentlemen:

(Per prior LOC's): We hereby amend our Irrevocable Standby Letter of Credit in your favor, effective August 3, 2012, for a sum not to exceed the aggregate of US\$78,520.00 (Seventy-Eight Thousand Five Hundred Twenty Dollars and No/100----). Available by your one or more drafts drawn at sight on us, stating "Drawn under ServisFirst Bank Letter of Credit Number 12020."

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, AL 35801.

Each draft must be accompanied by a statement purportedly 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."

*D/S 8-28-12*

*MW 8-29-12*

*ou KGA 8/30/12*

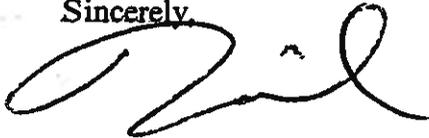
*OK  
CSK  
9/6/12*

The original of this Letter of Credit and any amendments must be presented with any drawing.  
Page 2 of 2 – Letter of Credit #12020

We hereby engage with you that all drafts drawn under and in compliance with the terms of this credit will be duly honored upon presentation and delivery of the documents as specified if drawn and presented for payment to ServisFirst Bank on or before the expiry date.

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 "David Mathis", written in a cursive style.

David Mathis  
Senior Vice President

SERVISFIRST BANK  
Post Office Box 16127  
Huntsville, AL 35804  
T 256.722.7600 F 256.722.7610  
servisfirstbank.com

5/10  
4/1

**AMENDMENT TO IRREVOCABLE LETTER OF CREDIT NUMBER 12020**

**DATE:** August 16, 2011

**Beneficiary:**  
City of Huntsville  
P.O. Box 308  
Huntsville, AL 35804



**Account Party:**  
Concord Development Company, Inc.  
1806 University Drive  
Huntsville, AL 35801

**Subject:** Article 5 Sidewalk, Letter of Credit for  
Valleybrook Subdivision

**Amount:** \$100,820.00 (Decreased from \$110,820.00)

**Issue Date:** August 16, 2011

**Expiration Date:** August 16, 2012

**Place of Expiration:** At ServisFirst Bank, 401 Meridian Street, Suite 100 Huntsville, AL 35801

Gentlemen:

We hereby amend our Irrevocable Standby Letter of Credit in your favor, effective August 16, 2011, for a sum not to exceed the aggregate of US\$100,820.00 (One Hundred Thousand Eight Hundred Twenty Dollars and No/100----). Available by your one or more drafts drawn at sight on us, stating "Drawn under ServisFirst Bank Letter of Credit Number 12020."

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, AL 35801.

Each draft must be accompanied by a statement purportedly 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."

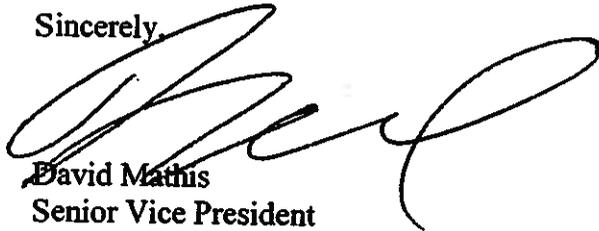
The original of this Letter of Credit and any amendments must be presented with any drawing.

LIC  
10-25-11  
DJ 10-25-11  
MJ 10-25-11  
OK  
CE/K  
10/31/11

We hereby engage with you that all drafts drawn under and in compliance with the terms of this credit will be duly honored upon presentation and delivery of the documents as specified if drawn and presented for payment to ServisFirst Bank on or before the expiry date.

This Letter of Credit is issued subject to Uniform Customs and Practice for Documentary Credit, ICC Publication No. 600 and 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, which shall prevail in the event of a conflict.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read 'D. Mathis', is written over the typed name and title.

David Mathis  
Senior Vice President

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

Valley Brook  
Sidewalks

9/2  
not

**IRREVOCABLE LETTER OF CREDIT NUMBER 12020**

**DATE:** September 24, 2010

**Beneficiary:**  
City of Huntsville  
P.O. Box 308  
Huntsville, AL 35804



**Account Party:**  
Concord Development Company, Inc.  
1806 University Drive  
Huntsville, AL 35801

**Subject:** Article 5 Sidewalk, Letter of Credit for  
Valleybrook Subdivision

**Amount:** \$110,820.00

**Issue Date:** September 24, 2010

**Expiration Date:** September 24, 2011

**Place of Expiration:** At ServisFirst Bank, 401 Meridian Street, Suite 100 Huntsville, AL 35801

Gentlemen:

We hereby open our Irrevocable Standby Letter of Credit in your favor, effective September 24, 2010, for a sum not to exceed the aggregate of US\$110,820.00 (One Hundred Ten Thousand Eight Hundred Twenty Dollars and No/100----). Available by your one or more drafts drawn at sight on us, stating "Drawn under ServisFirst Bank Letter of Credit Number 12020."

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, AL 35801.

Each draft must be accompanied by a statement purportedly 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 and any amendments must be presented with any drawing.

OK OLC 9/28/10

OK-TMB 10/4/10

OK KEA 10/7/10

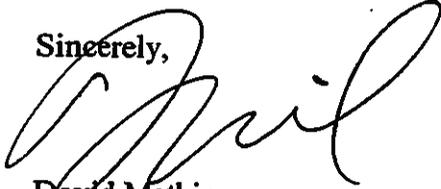
OK  
CEK  
10/7/10

Page 2 of 2 – Letter of Credit #

We hereby engage with you that all drafts drawn under and in compliance with the terms of this credit will be duly honored upon presentation and delivery of the documents as specified if drawn and presented for payment to ServisFirst Bank on or before the expiry date.

This Letter of Credit is issued subject to Uniform Customs and Practice for Documentary Credit, ICC Publication No. 600 and 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, which shall prevail in the event of a conflict.

Sincerely,

A handwritten signature in black ink, appearing to read "David Mathis", written in a cursive style.

David Mathis  
Senior Vice President

OK OLC 9/28/10

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

S/W  
ST

**IRREVOCABLE LETTER OF CREDIT NUMBER 8781**

**DATE:** November 13, 2008

**Beneficiary:**  
City of Huntsville  
P.O. Box 308  
Huntsville, AL 35804



**Account Party:**  
Concord Development Company, Inc.  
1806 University Drive  
Huntsville, AL 35801

**Subject:** Article 5 Sidewalk, Letter of Credit for  
Valleybrook Subdivision

**Amount:** \$121,725.00

**Issue Date:** November 13, 2008

**Expiration Date:** November 13, 2010

**Place of Expiration:** At ServisFirst Bank, 401 Meridian Street, Suite 100 Huntsville, AL 35801

Gentlemen:

We hereby open our Irrevocable Standby Letter of Credit in your favor, effective November 13, 2008, for a sum not to exceed the aggregate of US\$121,725.00 (One Hundred Twenty-One Thousand Seven Hundred Twenty-Five Dollars and No/100----). Available by your one or more drafts drawn at sight on us, stating "Drawn under ServisFirst Bank Letter of Credit Number 8781."

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, AL 35801.

Each draft must be accompanied by a statement purportedly 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."

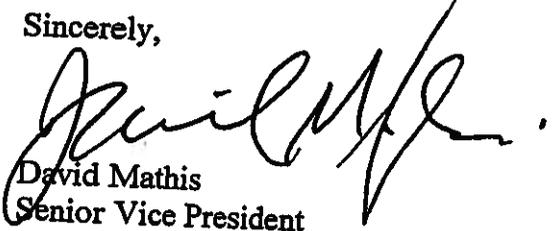
The original of this Letter of Credit and any amendments must be presented with any drawing.

OK 11/18/08  
OK 11/18/08  
OK 12/9/08

We hereby engage with you that all drafts drawn under and in compliance with the terms of this credit will be duly honored upon presentation and delivery of the documents as specified if drawn and presented for payment to ServisFirst Bank on or before the expiry date.

This Letter of Credit is issued subject to Uniform Customs and Practice for Documentary Credit, ICC Publication No. 600 and 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, which shall prevail in the event of a conflict.

Sincerely,



David Mathis  
Senior Vice President

DA 11/15/08  
002 11/18/08