CITY COUNCIL AGENDA ITEM COVER MEMO

Agenda Item Number: _____

Meeting Type: Regular

Meeting Date: Nov 6, 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 BancorpSouth Bank Letter of Credit No. 362000832393 for Coventry Phase 2 at McMullen 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: 10-28-14

RESOLUTION NO. 14-_____

WHEREAS, BancorpSouth Bank issued a certain letter of credit (No. 362000832393), 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 BancorpSouth Bank Letter of Credit No. 362000832393, prior to the expiration date thereof, with the language as specified in said Letter of Credit.

ADOPTED this the 6th day of November, 2014.

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

APPROVED this the 6th day of November, 2014.

_____
Mayor of the City of
Huntsville, Alabama

BancorpSouth

IRREVOCABLE STANDBY LETTER OF CREDIT

Date of Issuance: November 22, 2013 **No.:** 362000832393
Place of Issuance: BancorpSouth Bank
201 South Spring Street
P.O. Box 789
Tupelo, MS 38802
Attn: Trade Finance Department

Date of Expiry: November 22, 2014
Place of Presentment/Expiry: BancorpSouth Bank
603 Madison Street
Huntsville, Alabama 35801
Attn: Huntsville Division President

Beneficiary:
City of Huntsville, Alabama
Clerk-Treasurer Office
308 Fountain Circle
Huntsville, AL 35801

Applicant:
Jeff Benton Development Inc.
809 Shoney Dr. Suite 200
Huntsville, AL 35801

Bank:
BancorpSouth Bank
201 South Spring St.
P.O. Box 789
Tupelo, MS 38802
Attn: Trade Finance Dept.

Subject: Article 5 Sidewalk Letter of Credit for Final Plat of Coventry Phase 2 at McMullen Cove a Resubdivision of Tract 3 of Coventry Phase 1 at McMullen Cove as Recorded in Document No. 20110826000444200

Amount: $74,380.00USD

Gentlemen:

We hereby issue our Irrevocable Standby Letter of Credit in your favor for the account of the above-stated applicant for a sum not to exceed the above-stated amount, available by one or more of your drafts drawn on sight at the above-stated address or at the Office of the BancorpSouth Bank in the City of Huntsville, Alabama.

All draft(s) drawn under and in compliance with the terms of this Irrevocable Standby Letter of Credit will be duly honored if drawn and presented for payment on or before the expiration date noted above and accompanied by a signed statement from a representative of the City of Huntsville, Alabama stating: **"This draw is being made pursuant to Article 5 of the Subdivision Regulations."**

The original of this Irrevocable Standby Letter of Credit must be presented with any drawing. This Irrevocable Standby 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 amended from time to time.

BANCORPSOUTH BANK

By: Heather M Sullivan
Heather M. Sullivan
Its: Trade Finance Officer

OK
CEB
12/12/13

20% = Ex

DB 12-4-13 62 Kch 1.2