

CITY COUNCIL AGENDA ITEM COVER MEMO

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

Meeting Type: Regular

Meeting Date: Apr 23, 2015

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 First Commercial Bank Letter of Credit No. 831251823 for Grand Lake 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 14, 2015

RESOLUTION NO. 15-\_\_\_\_\_

WHEREAS, First Commercial Bank issued a certain letter of credit (No. 831251823), 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 First Commercial Bank Letter of Credit No. 831251823, prior to the expiration date thereof, with the language as specified in said Letter of Credit.

ADOPTED this the 23rd day of April, 2015.

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

APPROVED this the 23rd day of April, 2015.

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Mayor of the City of  
Huntsville, Alabama



PO Box 040002  
Huntsville, AL 35804  
Phone 256-551-3300  
www.fcb-hsv.com

IRREVOCABLE LETTER OF CREDIT NO. (NBSC, a division of Synovus Bank) 831251823

Beneficiary:

City of Huntsville  
Po Box 308  
Huntsville, AL 35804

Account Party:

Mungo Homes of Alabama Inc  
441 Western Ln  
Irmo, SC 29063

Bank:

First Commercial Bank, a division of Synovus  
Bank  
301 Washington, SC NW  
Huntsville, AL 35802

Subject: Article 5 Sidewalk, Letter of Credit for Grand Lake Subdivision  
Amount: \$95,619.00  
Issue Date: May 16, 2014  
Expiration Date: May 15, 2015

Gentlemen:

We hereby open our Irrevocable Standby Letter of Credit in your favor, effective May 16, 2014, for a sum not to exceed the aggregate of \$95,619.00 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 First Commercial Bank, a division Synovus Bank.

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 delivery 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.

  
Charles E. Kettle  
President & CEO

OK  
CEK  
6/20/14  
du rca 6/19/14

DLG-17-14 MJ 6-19-14

Grand Lake - Sid



PO Box 040002  
Huntsville, AL 35804  
Phone 256-551-3300  
www.fcb-hsv.com

### AMENDMENT TO IRREVOCABLE STANDBY LETTER OF CREDIT

Irrevocable Standby Letter of Credit No.: 1052

Date of Amendment: 8/9/2013

Amendment No.: 5

**BENEFICIARY:**  
CITY OF HUNTSVILLE (CLERK - TREASURER OFFICE)

**CUSTOMER:**  
TIMBERLAKES DEVELOPERS, INC

Madam / Sir :

Upon the request of the Customer and with your approval, on 8/9/2013,

1ST COMMERCIAL BK DIV SYNOVUS BANK as successor in interest by merger with

FIRST COMMERCIAL BANK ("Issuer") hereby amends its Irrevocable Letter of Credit No. 1052, dated 10/22/2008 ("Letter of Credit"), of which you are the Beneficiary in the following respect:

Extend expiration date from 10/22/2013 to 10/22/2014.

This Amendment shall be deemed a part of the Letter of Credit and should be attached thereto. If the terms of the Letter of Credit require presentation thereof to Lender, as a condition to making a draw thereunder, this Amendment also must be presented.

Except to the extent specifically amended hereby, all other terms, provisions and conditions of the Letter of Credit shall remain unchanged and in full force and effect, and the Issuer does expressly ratify and confirm Irrevocable Standby Letter of Credit No. 1052, as amended herein.

Very truly yours,

**1ST COMMERCIAL BK DIV SYNOVUS BANK**  
Name of Issuer

By: Nancy Dollar  
Name/Title: NANCY DOLLAR, SR. VICE PRESIDENT

By: \_\_\_\_\_  
Name/Title: \_\_\_\_\_

84  
172

MW 8-25-13  
DB 8-29-13  
OK CC/18 9/4/13  
OK KCA 9/4/13

Grand Lake-Sidewalk



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Huntsville, AL 35804  
Phone 256-551-3300  
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### AMENDMENT TO IRREVOCABLE STANDBY LETTER OF CREDIT

Irrevocable Standby Letter of Credit No.: 1052

Date of Amendment: 10/21/2012

Amendment No.: 4

**BENEFICIARY:**  
CITY OF HUNTSVILLE (CLERK - TREASURER OFFICE)

**CUSTOMER:**  
TIMBERLAKES DEVELOPERS, INC

Madam / Sir :

Upon the request of the Customer and with your approval, on 10/21/2012,

FIRST COMMERCIAL BANK DIV SYNOVUS BANK as successor in interest by merger with FIRST COMMERCIAL BANK DIV SYNOVUS BANK ("Issuer") hereby amends its Irrevocable Letter

of Credit No. 1052, dated 10/22/2008 ("Letter of Credit"), of which you are the Beneficiary in the following respect:

Extend expiration date from 10/22/2012 to 10/22/2013.

(Reduce/Increase) available amount from \$202,000.00 to \$112,000.00.

This Amendment shall be deemed a part of the Letter of Credit and should be attached thereto. If the terms of the Letter of Credit require presentation thereof to Lender, as a condition to making a draw thereunder, this Amendment also must be presented.

Except to the extent specifically amended hereby, all other terms, provisions and conditions of the Letter of Credit shall remain unchanged and in full force and effect, and the Issuer does expressly ratify and confirm Irrevocable Standby Letter of Credit No. 1052, as amended herein.

Very truly yours,

FIRST COMMERCIAL BANK DIV SYNOVUS BANK  
Name of Issuer

By: David Kimrey  
Name/Title: DAVID KIMREY, EXECUTIVE VICE PRESIDENT

By: \_\_\_\_\_  
Name/Title: \_\_\_\_\_

M 12-2-12

DO 12-5-12

OK  
12/10/12

OK KCA  
12/10/12



PO Box 040002  
Huntsville, AL 35804  
Phone 256-551-3300  
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Grand Lakes -  
Siderwal

AMENDMENT TO IRREVOCABLE LETTER OF CREDIT

LETTER OF CREDIT NO.: #1052  
DATE OF AMENDMENT: December 8, 2011  
AMENDMENT NUMBER: 03

BENEFICIARY

City of Huntsville, Alabama  
Clerk - Treasurer Office  
P O Box 308  
Huntsville, AL 35804

CUSTOMER:

Timberlakes Developers, Inc  
655 Old Big Cove Road  
Owens Cross Roads, AL 35763

Madam/Sir:

Upon the request of the Customer and with your approval, on December 8, 2011, First Commercial Bank, a Division of Synovus Bank, formerly known as Columbus Bank and Trust Company, as successor in interest through name change and by merger with First Commercial Bank, ("Lender") hereby amends its Irrevocable Letter of Credit No. #1052 dated October 2, 2009 ("Letter of Credit"), of which you are the Beneficiary in the following respect:

DS 1-27-12 • Extend expiration date from October 22, 2011 to October 22, 2012.

This Amendment shall be deemed a part of the Letter of Credit and should be attached thereto. If the terms of the Letter of Credit require presentation thereof to Lender, as a condition to making a draw thereunder, this Amendment also must be presented.

Except to the extent specifically amended hereby, all other terms, provisions and conditions of the Letter of Credit shall remain unchanged and in full force and effect.

First Commercial Bank, a division of Synovus Bank, formerly known as Columbus Bank and Trust Company, as successor in interest through name change and by merger with First Commercial Bank  
256-551-3300

  
W. Leigh Pegues  
Its: Executive Vice President

MW  
1-30-12

Grand Lake -  
Sidenwa



PO Box 040002  
Huntsville, AL 35804  
Phone 256-551-3300  
www.fcb-hsv.com

### AMENDMENT TO IRREVOCABLE STANDBY LETTER OF CREDIT

Irrevocable Standby Letter of Credit No.: 1052

Date of Amendment: 10/22/2010

Amendment No.: 2

BENEFICIARY:

CUSTOMER:

THE CITY OF HUNTSVILLE

TIMBERLAKES DEVELOPERS, INC.

Madam / Sir :

Upon the request of the Customer and with your approval, on 10/22/2010,

1ST COMMERCIAL BK DIV SYNOVUS BANK as successor in interest by merger with

FIRST COMMERCIAL BANK ("Issuer") hereby amends its Irrevocable Letter of Credit No. 1052, dated 10/22/2008 ("Letter of Credit"), of which you are the Beneficiary in the following respect:

Extend expiration date from 10/22/2010 to 10/22/2011.

This Amendment shall be deemed a part of the Letter of Credit and should be attached thereto. If the terms of the Letter of Credit require presentation thereof to Lender, as a condition to making a draw thereunder, this Amendment also must be presented.

Except to the extent specifically amended hereby, all other terms, provisions and conditions of the Letter of Credit shall remain unchanged and in full force and effect, and the Issuer does expressly ratify and confirm Irrevocable Standby Letter of Credit No. 1052, as amended herein.

Very truly yours,

1ST COMMERCIAL BK DIV SYNOVUS BANK

Name of Issuer

By:

*W. Leigh Pegues*  
W. Leigh Pegues its Executive Vice President

Name/Title:

By:

Name/Title:

0

OK  
CFA  
12/17/10

28 12/2/10

MW 12-14-10

OK KCA  
12/20/10

P.O. Box 040002  
Huntsville, Alabama 35804  
256/551-3300

Grand Lake  
Sidewalk



AMENDMENT TO IRREVOCABLE LETTER OF CREDIT

LETTER OF CREDIT NO.: #1052  
DATE OF AMENDMENT: September 2, 2009  
AMENDMENT NUMBER: 01

BENEFICIARY

City of Huntsville, Alabama  
Clerk- Treasurer Office  
P.O. Box 308  
Huntsville, AL 35804

CUSTOMER:

Timberlakes Developers, Inc.  
655 Old Big Cove Road  
Owens Cross Roads, AL 35763

Madam/Sir:

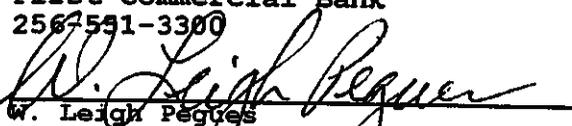
Upon the request of the Customer and with your approval, on September 2, 2009 First Commercial Bank ("Lender") hereby amends its Irrevocable Letter of Credit No. #1052 dated October 22, 2008 ("Letter of Credit"), of which you are the Beneficiary in the following respect:

- Extend expiration date from October 22, 2009 to October 22, 2010.

This Amendment shall be deemed a part of the Letter of Credit and should be attached thereto. If the terms of the Letter of Credit require presentation thereof to Lender, as a condition to making a draw thereunder, this Amendment also must be presented.

Except to the extent specifically amended hereby, all other terms, provisions and conditions of the Letter of Credit shall remain unchanged and in full force and effect.

First Commercial Bank  
256-551-3300

  
W. Leigh Pegues

Its: Executive Vice President

OK WOC 9/17/09

OK  
CEIT  
9/18/09

E.O. Box 040002  
Huntsville, Alabama 35804  
256/551-3300

IRREVOCABLE LETTER OF CREDIT NO. 1052  **First Commercial Bank**

Beneficiary:  
City of Huntsville, Alabama  
Clerk-Treasurer Office  
P. O. Box 308  
Huntsville, AL 35804

Account Party:  
Timberlakes Developers Inc.  
655 Old Big Cove Road  
Owens Cross Roads, AL 35763

Bank:  
First Commercial Bank  
301 Washington Street  
Huntsville, AL 35801

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

**Amount:** \$202,000  
**Issue Date:** October 22, 2008  
**Expiration Date:** October 22, 2009

Gentlemen:

We hereby open our Irrevocable Standby Letter of Credit in your favor, effective October 22, 2008, for a sum not to exceed the aggregate of Two Hundred Two Thousand Dollars and Zero Cents (\$202,000.00) available by your one or more of your 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 First Commercial Bank in Huntsville.

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.

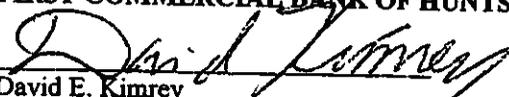
THE ORIGINAL OF THIS LETTER OF CREDIT MUST BE PRESENTED WITH ANY DRAWING.

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.

The Letter of Credit shall be governed by the laws of the State of Alabama including but not limited to the Alabama Uniform Code, as the same may be from time to time amended.

This Letter of Credit is subject to the International Standby Practices 1998 (ISP98)

**FIRST COMMERCIAL BANK OF HUNTSVILLE**

  
David E. Kimrey  
Senior Vice President

OK OKA 10/24/08

02 KCA 10/27/08

OK  
02/18  
10/27/08