

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. 831251837 for Cambridge 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. 831251837), 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. 831251837, prior to the expiration date thereof, with the language as specified in said Letter of Credit.

ADOPTED this the 23rd day of April, 2015.

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

APPROVED this the 23rd day of April, 2015.

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) 831251837

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 Cambridge Subdivision
Amount: \$19,200.00
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 \$19,200.00 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
CERT
6/20/14

DS 6-17-14 MW 6-19-14

on KCA
6/19/14

OFFICIAL CHECK

249008060

CityOfHuntsville
CITY OF HUNTSVILLE
Clerk Treasurer's Dept. 055
1218103-1 06/29/2012 118
Fri Jun29,2012 12:08 PM

DATE 06-29-2012

64-50
811



\$ ****26,500*****

Name: PEARSON HOMES INC

072 - PERFORMANCE BONDS \$26,500.00
Tran Nbr: 121810301 0012 0014
Addit'l Info: CAMBRIDGE SUB SIDE WALKS
GL: 01-0000-2251-0000 \$26,500.00

AUTHORIZED SIGNATURE

Teresa Hughes

MP

1 ITEM(S): TOTAL: \$26,500.00

6 1 100606 2

30 135745 11

Check GF (Chk# 249008060) \$26,500.00
Total Received: \$26,500.00

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Thank You!

*****CUSTOMER COPY*****

Refund
6-20-14

Cash on
Hand
6-4-14



Compass Bank

P.O. Box 4444
Houston, TX 77210-4444
713 499-8645 - Fax 713 499-8659
Toll Free 888 627-8860 - Fax 888 627-8861
www.compassbank.com

International Trade Services

IRREVOCABLE STANDBY LETTER OF CREDIT NO. S29029A

**PLACE AND DATE OF ISSUE:
HOUSTON, TEXAS APRIL 16, 2008**

**DATE AND PLACE OF EXPIRY:
APRIL 16, 2010 HUNTSVILLE, ALABAMA**

**APPLICANT:
HARRISON DEVELOPMENT, INC.
1787 JEFF ROAD
HUNTSVILLE, AL 35806**

**ADVISING BANK:
NOT APPLICABLE**

**BENEFICIARY:
CITY OF HUNTSVILLE
308 FOUNTAIN CIRCLE
HUNTSVILLE, AL 35801**

**AMOUNT: USD126,000.00
(ONE HUNDRED TWENTY-SIX
THOUSAND AND NO/100 U.S. DOLLARS)**

RE: ARTICLE 5 SIDEWALK, LETTER OF CREDIT FOR CAMBRIDGE SUBDIVISION

*MS
4/17/08*

GENTLEMEN:

WE HEREBY ESTABLISH OUR IRREVOCABLE STANDBY LETTER OF CREDIT IN YOUR FAVOR AVAILABLE BY BENEFICIARY'S SIGHT DRAFT(S) DRAWN ON COMPASS BANK ACCOMPANIED BY THE ORIGINAL OF THIS LETTER OF CREDIT AND THE FOLLOWING DOCUMENT(S):

- **ORIGINAL OF BENEFICIARY'S STATEMENT SIGNED BY A REPRESENTATIVE OF THE CITY OF HUNTSVILLE, ALABAMA STATING THAT:**

QUOTE

THE DRAW IS BEING MADE PURSUANT TO ARTICLE 5 OF THE SUBDIVISION REGULATIONS OF THE CITY OF HUNTSVILLE, ALABAMA.

UNQUOTE

SPECIAL CONDITIONS:

PARTIAL AND MULTIPLE DRAWINGS ARE PERMITTED.

DRAFT(S) MUST BE MARKED: "DRAWN UNDER COMPASS BANK LETTER OF CREDIT NO. S29029A."

WE HEREBY ENGAGE WITH YOU THAT ALL DRAFT(S) DRAWN UNDER AND IN COMPLIANCE WITH ALL THE TERMS AND CONDITIONS OF THIS CREDIT WILL BE DULY HONORED IF DRAWN AND PRESENTED FOR PAYMENT BETWEEN THE HOURS OF 8:00 A.M. AND 4:00 P.M. MONDAY THROUGH FRIDAY ON A DAY WHEN THE CITY PRESIDENT'S OFFICE IS OPEN FOR BUSINESS AT 114 GOVERNORS DRIVE, 2ND FLOOR, ATTN: CITY PRESIDENT'S OFFICE, HUNTSVILLE, AL 35801 ON OR BEFORE THE EXPIRATION OF THIS LETTER OF CREDIT.

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.

Teresa Stever
AUTHORIZED SIGNATURE / TLC

*OK
CEK
5/1/08*

*OK KCA
4/30/08*