

CITY COUNCIL AGENDA ITEM COVER MEMO

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

Meeting Type: Regular

Meeting Date: May 14, 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 Servis1st Bank Letter of Credit Number 16155 for The Preserve at Clayton Pond Phase II 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: May 5, 2015

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

WHEREAS, Servis1st Bank issued a certain letter of credit (No. 16155), 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. 16155, prior to the expiration date thereof, with the language as specified in said Letter of Credit.

ADOPTED this the 14th day of May, 2015.

---

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

APPROVED this the 14th day of May, 2015.

---

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



**AMENDMENT TO**  
**IRREVOCABLE LETTER OF CREDIT NO. 16155**

<b>Beneficiary:</b> City of Huntsville P.O. Box 308 Huntsville, AL 35804	<b>Account Party:</b> ERIP, LLC 5016 Dale Road Huntsville, AL 35803	<b>Bank:</b> ServisFirst Bank 401 Meridian Street, Suite 100 Huntsville, AL 35801
---	--	--

**Subject:** Article 5 Sidewalk, Letter of Credit for Article 5 Sidewalk, Letter of Credit for the Preserve at Clayton Pond Phase II, a Resubdivision of Tract 22, Green Mountain Auction Property (Plat Book 33, Page 23) and Lot 3 of Green Mt. Estates Ph II A Resubdivision of Tract 23 of Green Mountain Auction Property (Plat Book 38, Page 63)

**Amount:** \$55,372.50  
**Issue Date:** May 21, 2014  
**Expiration Date:** May 21, 2015

**Gentlemen:**

We hereby amend our Irrevocable Standby Letter of Credit in your favor, effective May 21, 2014, for a sum not to exceed the aggregate of \$55,372.50 (Fifty Five Thousand Three Hundred Seventy Two Dollars and 50/100) 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, 401 Meridian Street, Suite 100, Huntsville, Alabama 35801.

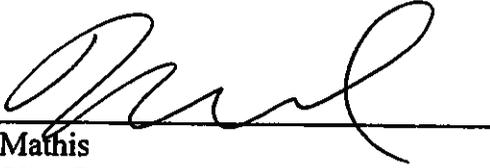
MW 6-11-14  
on 1001  
6/17/14

OK  
CERT  
6/17/14

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.

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.

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.

A handwritten signature in black ink, appearing to read 'David Mathis', is written over a horizontal line.

David Mathis  
Senior Vice President

**AMENDMENT TO**  
**IRREVOCABLE LETTER OF CREDIT NO. 16155**

**Beneficiary:**

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

**Account Party:**

ERIP, LLC  
5016 Dale Road  
Huntsville, AL 35803

**Bank:**  ServisFirst Bank

ServisFirst Bank  
401 Meridian Street,  
Suite 100  
Huntsville, AL 35801

**Subject:** Article 5 Sidewalk, Letter of Credit for Article 5 Sidewalk, Letter of Credit for the Preserve at Clayton Pond Phase II, a Resubdivision of Tract 22, Green Mountain Auction Property (Plat Book 33, Page 23) and Lot 3 of Green Mt. Estates Ph II A Resubdivision of Tract 23 of Green Mountain Auction Property (Plat Book 38, Page 63)

**Amount:** \$55,372.50  
**Issue Date:** July 3, 2013  
**Expiration Date:** July 3, 2014

**Gentlemen:**

We hereby amend our Irrevocable Standby Letter of Credit in your favor, effective July 3, 2013, for a sum not to exceed the aggregate of \$55,372.50 (Fifty Five Thousand and Three Hundred Seventy Two Dollars and 50/100) 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, 401 Meridian Street, Suite 100, Huntsville, Alabama 35801.

MW 7-15-13

DB 7-14-13

KCA 7/19/13

OK  
CER

7/22/13

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.

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.

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.



---

David Mathis  
Senior Vice President

SERVIS FIRST BANK  
Post Office Box 18127  
Huntsville, Alabama 35894  
256.722.7800 256.722.7800  
servisfirstbank.com

**IRREVOCABLE LETTER OF CREDIT NO. 16155**



**Beneficiary:**

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

**Account Party:**

ERIP, LLC  
5016 Dale Road  
Huntsville, AL 35803

**Bank:**

ServisFirst Bank  
401 Meridian Street  
Suite 100  
Huntsville, AL 35801

Subject: Article 5 Sidewalk, Letter of Credit for Article 5 Sidewalk, Letter of Credit for the Preserve at Clayton Pond Phase II, a Resubdivision of Tract 22, Green Mountain Auction Property (Plat Book 33, Page 23) and Lot 3 of Green Mt. Estates Ph II A Resubdivision of Tract 23 of Green Mountain Auction Property (Plat Book 38, Page 63)

Amount: \$55,372.50  
Issue Date: July 12, 2012  
Expiration Date: July 12, 2013

Gentlemen:

We hereby open our Irrevocable Standby Letter of Credit in your favor, effective July 11, 2012, for a sum not to exceed the aggregate of \$55,372.50 (Fifty Five Thousand and Three Hundred Seventy Two Dollars and 50/100) 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, 401 Meridian Street, Suite 100, Huntsville, Alabama 35801.

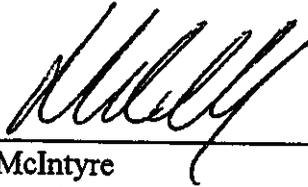
OK  
OET  
7/26/12

DS 7-17-12  
DMB 7/17/12 OKCA 7/26/12

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.

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.

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.



---

Mark McIntyre  
Vice President