

CITY COUNCIL AGENDA ITEM COVER MEMO

Agenda Item Number: _____

Meeting Type: Regular

Meeting Date: May 28, 2015

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 South Bank Letter of Credit No. 2013-299 for McMullen Place Phase 3 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 20, 2015

RESOLUTION NO. 15-_____

WHEREAS, South Bank issued a certain letter of credit (No. 2013-299), 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 South Bank Letter of Credit No. 2013-299, prior to the expiration date thereof, with the language as specified in said Letter of Credit.

ADOPTED this the 28th day of May, 2015.

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

APPROVED this the 28th day of May, 2015.

Mayor of the City of
Huntsville, Alabama

SOUTHBank

118 Jefferson Street
Huntsville, Alabama 35801

(256) 535-6000

IRREVOCABLE LETTER OF CREDIT

Beneficiary:

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

(hereinafter "CITY")

Applicant:

Enfinger Steele Development, LLC
8624 South Memorial Pkwy.
Huntsville, AL 35802

(hereinafter "DEVELOPER")

Bank:

SOUTHBank
118 Jefferson St.
Huntsville, AL 35801

(hereinafter "BANK")

**RE: ARTICLE 5 SIDEWALK, LETTER OF CREDIT FOR MCMULLEN
PLACE PHASE 3 AT MCMULLEN COVE SUBDIVISION**

Letter of Credit No: **2013-299**
Amount: **\$ 9,980.00**
Issue Date: **June 11, 2013**
Expiration Date: **June 11, 2015**

Gentlemen:

We hereby open our Irrevocable Standby Letter of Credit in your favor, effective June 11, 2013, for a sum not to exceed the aggregate of Nine Thousand Nine Hundred and Eighty and 00/100 (\$9,980.00) dollars. 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 SOUTHBank in Huntsville.

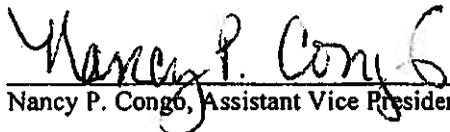
Each draft must be accompanied by a statement signed by a representative of the City of Huntsville, Alabama stating that the draw is being made pursuant to Article 5 of the Subdivision Regulations.

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 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.

SOUTHBank



Nancy P. Congo, Assistant Vice President

DP
BEA
6/23/13

DB 6-21-13
G-2 (COR) 6/23/13