

CITY COUNCIL AGENDA ITEM COVER MEMO

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

Meeting Type: Regular

Meeting Date: Oct 8, 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 National Bank of Commerce Letter of Credit No. 401184800 for Inspiration on Green Mountain III Subdivision.

**Note: If amendment, Please state title and number of the original**

Item to be considered for: Action

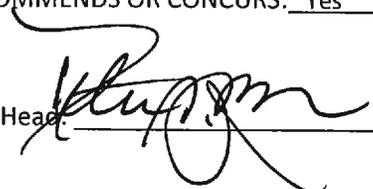
Unanimous Consent Required: No

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: Sep 28, 2015

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

**WHEREAS**, National Bank of Commerce issued a certain letter of credit (No. 401184800), 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 National Bank of commerce Letter of Credit No. 401184800, prior to the expiration date thereof, with the language as specified in said Letter of Credit.

**ADOPTED** this the 8th day of October, 2015.

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

**APPROVED** this the 8th day of October, 2015.

\_\_\_\_\_  
Mayor of the City of  
Huntsville, Alabama



**NATIONAL  
BANK of  
COMMERCE**

**Irrevocable Standby Letter of Credit 401184800**

**Beneficiary**

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

**Applicant**

Diltina Development Corp.  
7545 Hwy 72 W  
Madison AL 35758

**Bank**

National Bank of Commerce  
415 Meridian Street  
Huntsville, AL 35801

**Amount:** \$123,780.00

**Issue Date:** September 23, 2014

**Expiration Date:** October 23, 2015

**Re: Article 5 Sidewalk, Letter of Credit for INSPIRATION ON GREEN MOUNTAIN PHASE III A RESUBDIVISION OF TRACT 34 AND LOT 10 OF INSPIRATION ON GREEN MOUNTAIN A RESUBDIVISION OF TRACT 1 ACCORDING TO THE GREEN MOUNTAIN AUCTION PROPERTY, PLAT BOOK 33, PAGES 1-26, AS RECORDED IN INSTRUMENT NO. 20090828000563380 AND A RESUBDIVISION OF A PORTION OF TRACT 40 OF INSPIRATION ON GREEN MOUNTAIN PHASE II AS RECORDED IN INSTRUMENT NO. 20131024000686970 AND BEING AMENDED BY THAT CERTAIN SURVEYOR'S AFFIDAVIT AS RECORDED IN INSTRUMENT NO. 20131106000710750 IN THE OFFICE OF THE JUDGE OF PROBATE, MADISON COUNTY, ALABAMA**

Gentlemen:

We hereby issue our Irrevocable Standby Letter of Credit in your favor effective September 23 2014, for a sum not to exceed the aggregate of ONE HUNDRED TWENTY THREE THOUSAND SEVEN HUNDRED EIGHTY DOLLARS AND NO/100 (\$123,780.00). 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 National Bank of Commerce in Huntsville, Alabama.

Each draft must be accompanied by a statement signed by an authorized 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 draft(s) drawn under and in compliance with the terms of the credit will be duly honored upon presentation and delivery of the documents 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.

Mark McIntyre, Vice President

D8 9-19-14

on KCA

9/22/14

OK  
CEB  
10/8/14