

CITY COUNCIL AGENDA ITEM COVER MEMO

Agenda Item Number: _____

Meeting Type: Regular

Meeting Date: Mar 24, 2016

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 National Bank of Commerce Letter of Credit No. 401402600 for Sanctuary Cove Phase 1 Subdivision.

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

Item to be considered for: Action

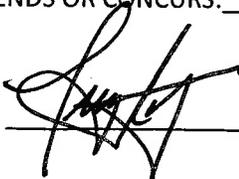
Unanimous Consent Required: No

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: Mar 14, 2016

RESOLUTION NO. 16-_____

WHEREAS, National Bank of Commerce issued a certain letter of credit (No. 401402600), 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. 401402600, prior to the expiration date thereof, with the language as specified in said Letter of Credit.

ADOPTED this the 24th day of March, 2016.

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

APPROVED this the 24th day of March, 2016.

Mayor of the City of
Huntsville, Alabama



Irrevocable Standby Letter of Credit No. 401402600

Beneficiary

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

Applicant

Breland Homes, LLC
2101 West Clinton Avenue
Suite 201
Huntsville, AL 35805

Bank

National Bank of Commerce
415 Meridian Street
Huntsville, AL 35801

Amount: \$179,155.65

Issue Date: April 13, 2015

Expiration Date: April 13, 2016

Re: Article 5 Sidewalk, Letter of Credit for Sanctuary Cove Phase One: A Resubdivision of the re-plat of lot 5 of Sanctuary Cove as recorded in document number 20081030000682940, and other land recorded in document number 20110728000382010

Gentlemen:

We hereby issue our Irrevocable Standby Letter of Credit in your favor effective April 13, 2015, for a sum not to exceed the aggregate of ONE HUNDRED SEVENTY NINE THOUSAND ONE HUNDRED FIFTY FIVE DOLLARS AND 65/100 (\$179,155.65). 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.

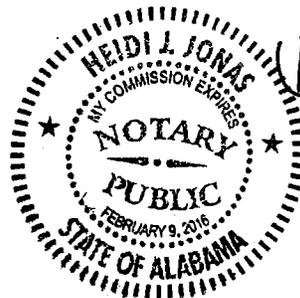
Each draft must be accompanied by a statement signed by an authorized representative of the City of Huntsville, Alabama stating that the draw is being made pursuant to Article 5 of the Subdivision Regulations.

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.


Chris Hanback, Senior Vice President



April 13, 2015
Heidi L. Jonas
29.10 exp

OK
CSK
4/22/15

OKCSK 4/22/15

DS 4-14-15