

CITY COUNCIL AGENDA ITEM COVER MEMO

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

Meeting Type: Regular

Meeting Date: May 12, 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 Servis 1st Bank Letter of Credit No. 16155 for 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.

Associated Cost: \_\_\_\_\_

Budgeted Item: Not Applicable

MAYOR RECOMMENDS OR CONCURS: Yes

Department Head: Mary C Cates

Date: 5/6/2016

RESOLUTION NO. 16-\_\_\_\_\_

**WHEREAS**, Servis 1st 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 Servis 1st 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 12th day of May, 2016.

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

**APPROVED** this the 12th day of May, 2016.

\_\_\_\_\_  
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



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

<b>Beneficiary:</b>	<b>Account Party:</b>	<b>Bank:</b>
City of Huntsville	ERIP, LLC	ServisFirst Bank
P.O. Box 308	5016 Dale Road	401 Meridian Street, Suite 100
Huntsville, AL 35804	Huntsville, AL 35803	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 19, 2015  
**Expiration Date:** May 21, 2016

**Gentlemen:**

We hereby extend our Irrevocable Standby Letter of Credit in your favor, effective May 19, 2015, 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.

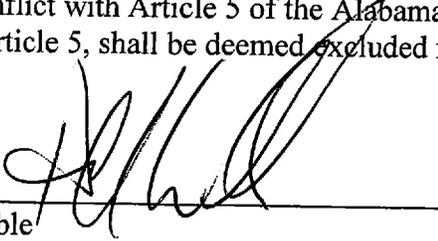
All draft(s) drawn under and in compliance with the terms of this Credit prior to the expiration thereof will be duly honored if drawn and presented for payment to ServisFirst Bank, 401 Meridian Street, Suite 100, Huntsville, Alabama 35801.

MJ 6-4-15 DB 6-4-15 ~~MA~~ 6-12-15 OK  
CS18  
6/12/15

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 'Hill Womble', is written over a horizontal line.

Hill Womble  
Senior Vice President

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**

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

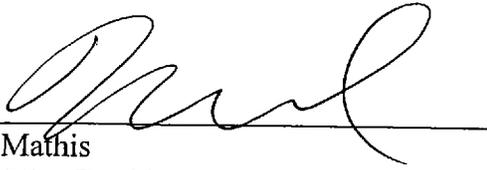
MW 6-11-14  
on recd  
6/17/14

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', 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.

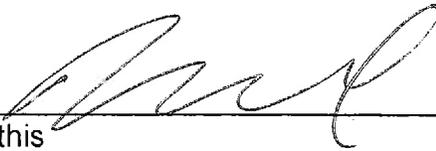
MW 7-15-13  
DB 7-16-13  
KCA 7/19/13

OK  
CEH  
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  
P.O. Box 18127  
Huntsville, Alabama 35804  
T 256.722.7000 F 256.722.2510  
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

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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.

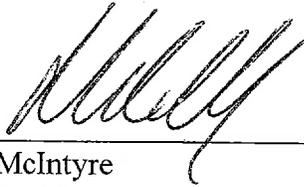
OK  
OET  
7/26/12

DS 7-17-12  
DMB 7/17/12 OR KCA 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.



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Mark McIntyre  
Vice President