

**CITY COUNCIL AGENDA ITEM COVER MEMO**

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

Meeting Type: Regular

Meeting Date: Jun 9, 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 Bank Independent Letter of Credit No. 20895039 for Lendon Phase I in Jones Valley Subdivision.

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

Item to be considered for: Action

Unanimous Consent Required: No

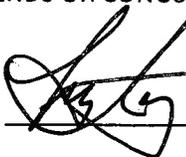
Briefly state why the action is required; why it is recommended; what council action will provide, allow and accomplish and; any other information that might be helpful.

[Empty box for providing details on why the action is required, recommended, and council action details.]

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

Budgeted Item: Not Applicable

MAYOR RECOMMENDS OR CONCURS: Yes

Department Head:  \_\_\_\_\_

Date: Jun 2, 2016

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

**WHEREAS**, Bank Independent issued a certain letter of credit (No. 20895039), 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 Bank Independent Letter of Credit No. 20895039, prior to the expiration date thereof, with the language as specified in said Letter of Credit.

**ADOPTED** this the 9th day of June, 2016.

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

**APPROVED** this the 9th day of June, 2016.

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

IRREVOCABLE LETTER OF CREDIT No. 20895039

**BENEFICIARY:**

City of Huntsville  
PO Box 308  
Huntsville, AL 35804

**ACCOUNT PARTY:**

Lendon, LLC  
218 Randolph Ave  
Suite B  
Huntsville, AL 35801

**BANK:**

Bank Independent  
PO Box 5000  
Sheffield, AL 35660  
c/o Huntsville Branch  
203 Greene Street, Ste 300  
Huntsville, AL 35801

**AMOUNT:** \$191,880.00

**Issue Date:** June 19, 2015

**Expiration Date:** June 19, 2016

**SUBJECT:** RE: Article 5 Sidewalk Letter of Credit for:

Lendon Phase 1 in Jones Valley, Huntsville, Alabama, A resubdivision of Lots 1 and 2 of Lendon in Jones Valley, Huntsville, Alabama, a resubdivision of Tract D of Instrument No. 20080828000557660 and a resubdivision of Instrument No. 20120927000618910 and being a portion of Lot 2 Jones Farm Southwest as recorded in Plat Book 35, Page 49 in the Office of the Judge of Probate, Madison County, Alabama as recorded in Instrument No. 20130626000418700, and a resubdivision of Tract No. 1 of Document No 20140320000142320 in the Office of the Judge of Probate, Madison County, Alabama.

Gentlemen:

We hereby open our Irrevocable Standby Letter of Credit in your favor, effective June 19, 2015, for a sum not to exceed the aggregate of \$191,880.00 available by your one or more drafts at Sight on us.

All drafts 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 Bank Independent.

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 will be presented with any drawing.

We hereby engage with you that the drafts drawn under and in compliance with the terms of the credit will be duly honored upon presentation and delivery of 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 amended from time to time.

Sincerely,