

CITY COUNCIL AGENDA ITEM COVER MEMO

Agenda Item Number: 15.

Meeting Type: Regular

Meeting Date: Sep 8, 2016

Action Requested By: Legal

Agenda Type: Resolution

Subject Matter:

Invoking Letter of Credit.

Exact Wording for the Agenda:

Resolution authorizing the City Clerk-Treasurer to invoke Southern Community Bank Letter of Credit No. 1000038671 for Braewick 3 at McMullen Cove.

**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: Aug 31, 2016

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

**WHEREAS**, Southern Community Bank issued a certain letter of credit (No. 1000038671), 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 Southern Community Bank Letter of Credit No. 1000038671, prior to the expiration date thereof, with the language as specified in said Letter of Credit.

**ADOPTED** this the 8th day of September, 2016.

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

**APPROVED** this the 8th day of September, 2016.

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



300 Clinton Avenue W  
Huntsville, AL 35801  
www.mysoutherncommunitybank.com

**IRREVOCABLE LETTER OF CREDIT #1000038671**

**Beneficiary:**

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

**Account Party:**

JWE Properties, LLC  
Braewick Phase III  
at McMullen Cove

**Bank:**

Southern Community Bank  
300 Clinton Avenue West  
Huntsville, AL 35801

**Subject: Article 5 Sidewalk Letter of Credit for  
Braewick Phase III at McMullen Cove**

**Amount: \$68,425.00  
Issue Date: 09/17/2014  
Expiration Date: 09/17/2016**

**Gentlemen:**

We hereby open our Irrevocable Standby Letter of Credit in your favor, effective 09/17/2014, for a sum not to exceed the aggregate of \$68,425.00. 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 Southern Community Bank.

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 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.

Respectfully submitted,

Southern Community Bank

By: Terri L. Nicholson  
Title: City President

OK  
CEH  
9/29/14

H.G. 9-23-14  
DB 9-23-14  
AU KA 9/24/14