CITY COUNCIL AGENDA ITEM COVER MEMO

Agenda Item Number: 15.

Meeting Type: Regular

Meeting Date: Nov 3, 2016

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 First Commercial Bank Letter of Credit No. 831290726 for Oakwood Estates at Lake Forest 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: Oct 25, 2016

RESOLUTION NO. 16-_____

WHEREAS, First Commercial Bank issued a certain letter of credit (No. 831290726), 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 First Commercial Bank Letter of Credit No. 831290726, prior to the expiration date thereof, with the language as specified in said Letter of Credit.

ADOPTED this the 3rd day of November, 2016.

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

APPROVED this the 3rd day of November, 2016.

_____
Mayor of the City of
Huntsville, Alabama

First Commercial Bank

PO Box 040002
Huntsville, AL 35804
Phone 256-551-3300
www.fcb-hsv.com

IRREVOCABLE LETTER OF CREDIT NO. (NBSC, a division of Synovus Bank) 831290726

Beneficiary:	Account Party:	Bank:
City of Huntsville Po Box 308 Huntsville, AL 35804	Mungo Homes of Alabama Inc 441 Western Ln Irmo, SC 29063	First Commercial Bank, a division of Synovus Bank 301 Washington, SC NW Huntsville, AL 35802

Subject:	Article 5 - Sidewalk, Letter of Credit for Oakwood Estates at Lake Forest
Amount:	$84,630.00
Issue Date:	November 21, 2014
Expiration Date:	November 21, 2016

Gentlemen:

We hereby open our Irrevocable Standby Letter of Credit in your favor, effective November 21, 2014, for a sum not to exceed the aggregate of $84,630.00 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 First Commercial Bank, a division Synovus 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 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 from time to time amended.

Beth Sippel

Beth Sippel
President & CEO

OK
CEB
12/2/14

MS
11/24/14

11/25-14