

CITY COUNCIL AGENDA ITEM COVER MEMO

Agenda Item Number _____

Meeting Type: Regular

Meeting Date: 4/11/2013

Action Requested By:
Legal

Agenda Item Type
Resolution

Subject Matter:

Invoking letter of credit.

Exact Wording for the Agenda:

Resolution authorizing the Clerk Treasurer to Invoke National Bank of Commerce Letter of Credit No. 400810400 for Nickel Creek Phase 2 at River Landing 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: 4-2-13

RESOLUTION NO. 13-_____

WHEREAS, National Bank of Commerce issued a certain letter of credit (No. 400810400), 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. 400810400, prior to the expiration date thereof, with the language as specified in said Letter of Credit.

ADOPTED this the 11th day of April, 2013.

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

APPROVED this the 11th day of April, 2013.

Mayor of the City of
Huntsville, Alabama



**NATIONAL
BANK of
COMMERCE**

Irrevocable Standby Letter of Credit

Beneficiary

City of Huntsville
Clerk-Treasurer Office
P.O. Box 308
Huntsville, AL 35804
(hereinafter "City")

Applicant

River Bend Investments (AL), LLC
2101 West Clinton Avenue
Suite 501
Huntsville, AL 35805
(hereinafter "Developer")

Bank

National Bank of Commerce
300 Randolph Avenue SE
Huntsville, AL 35801

Letter of Credit Number: 400810400

Amount: \$50,000.00

Issue Date: April 18, 2012

Expiration Date: April 18, 2013

Re: Article 5 Sidewalk, Letter of Credit for, Nickel Creek Phase 2 at River Landing

Gentlemen:

We hereby issue our Irrevocable Standby Letter of Credit in your favor for the account of River Bend Investments (AL), LLC effective April 18, 2012, for a sum not to exceed the aggregate of Fifty Thousand and 00/100 (\$50,000.00) dollars 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 dually 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 of the City of Huntsville, Alabama.

The original of this letter of credit must be presented with any drawings.

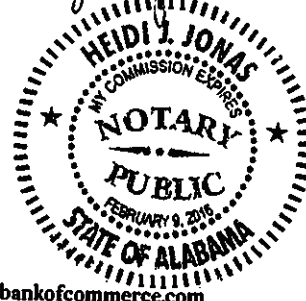
We hereby engage with you that draft(s) drawn under and in compliance with the terms of the credit will be duly honored upon presentation and delivery of the documents specified.

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.

Issued By: National Bank of Commerce
300 Randolph Avenue
Huntsville, AL 35801

Brian K. Shelton, Vice President

Sworn to and subscribed before me on the
18 day of April 2012



MW 5-11-12

OK
5/17/12

MS 5/16/12

OK
5/18/12



RBC Bank™

5/10
MKT

Issue Date: June 22, 2010

Expiry Date: June 22, 2012

International Services - Standby L/C Unit
200 Providence Rd., 3rd Floor
Charlotte, NC 28207
S.W.I.F.T.: CNTAUS33
Tel.: 704-686-1467 or 704-686-1194
Fax: 704-686-1498
Toll-free: 1-800-938-6299

Irrevocable Standby Letter of Credit Number SB005139

Beneficiary:

City of Huntsville
PO Box 308
Huntsville, AL 35804

Applicant:

River Bend Investments (AL) LLC
2101 W. Clinton Ave., Suite 501
Huntsville, AL 35805

MS
6/22/10

Re: Article 5 Sidewalk Letter of Credit for Nickel Creek, Phase 2 at River Landing

We hereby open our Irrevocable Standby Letter of Credit referenced above in your favor, as Beneficiary effective June 22, 2010, for the account of the above referenced Applicant up to the aggregate amount of \$74,070.00 (Seventy Four Thousand Seventy and 00/100 United States Dollars) available by payment of your draft(s) drawn at sight on us when accompanied by:

A signed statement by a representative of the City of Huntsville, Alabama reading: "This draw is being made pursuant to Article 5 of the Subdivision Regulations."

We hereby agree with you that all draft(s) drawn under and in compliance with the terms and conditions of this Credit shall be duly honored by us when presented, along with the required documentation and the original of this letter of credit, at our office located at 200 Providence Road, 3rd Floor, Charlotte, NC 28207 OR 100 Church Street, 3rd Floor, Huntsville, AL 35801 on or before the above stated expiry date.

Draft(s) drawn hereunder must state on their face "drawn under RBC Bank (USA) letter of credit number SB005139".

This Letter of Credit is subject to/and governed by the laws of the State of Alabama and the International Standby Practices ("ISP98"), International Chamber of Commerce (Publication No. 590) and in the event of any conflict, the Laws of the State of Alabama will control.

Sincerely,

RBC Bank (USA)

Glenda A. Martin

Authorized Signature

RBC Bank

Authorized Signature

MS
6-22-10
OK
6/22/10

OK
6/29/10