

CITY COUNCIL AGENDA ITEM COVER MEMO

Agenda Item Number: _____

Meeting Type: Regular

Meeting Date: May 22, 2014

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 Regions Bank Letter of Credit No. 55106540 for Olde Cobblestone Phase 3 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: May 16, 2014

RESOLUTION NO. 14-_____

WHEREAS, Regions Bank issued a certain letter of credit (No. 55106540), 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 Regions Bank Letter of Credit No. 55106540, prior to the expiration date thereof, with the language as specified in said Letter of Credit.

ADOPTED this the 22nd day of May, 2014.

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

APPROVED this the 22nd day of May, 2014.

Mayor of the City of
Huntsville, Alabama

REGIONS

201 MILAN PARKWAY, 1ST FLOOR, BIRMINGHAM, AL 35211.
S.W.I.F.T. UPNBUS44MIA TELEX 6737871 UPBMIA
PHONE (866)828-6928 FAX (205)420-6019

IRREVOCABLE STANDBY LETTER OF CREDIT NO.: 55106540
ISSUE DATE: JUNE 11, 2013

OPENER:
COVINGTON AND CO., INC.
8701 BELLEWOOD LANE NW
MADISON, ALABAMA 35756

BENEFICIARY:
CITY OF HUNTSVILLE
308 FOUNTAIN CIRCLE
HUNTSVILLE, AL 35801

SUBJECT: ARTICLE 5 TREES LETTER OF CREDIT
FOR OLDE COBBLESTONE SUBDIVISION PHASE 3

AMOUNT: \$7,200.00 USD
EXPIRATION DATE: JUNE 11, 2014

GENTLEMEN:

WE HEREBY OPEN OUR IRREVOCABLE STANDBY LETTER OF CREDIT IN YOUR FAVOR, EFFECTIVE JUNE 11, 2013, FOR A SUM NOT TO EXCEED THE AGGREGATE OF \$7,200.00 USD, 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 REGIONS 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 AT REGIONS BANK, ATTN: BRANCH MANAGER, 200 CLINTON AVENUE WEST, 2ND FLOOR, HUNTSVILLE, AL 35801.

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.

SINCERELY,


AUDRA HUDGINS, BANKING OFFICER

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MS
7/22/13

OKed
7/26/13

OK
CEH
7/31/13