



Huntsville, Alabama

305 Fountain Circle
Huntsville, AL 35801

Cover Memo

Meeting Type: City Council Regular Meeting **Meeting Date:** 10/9/2025

File ID: TMP-6082

Department: Legal

Subject:

Type of Action: Approval/Action

Resolution authorizing the City Clerk to invoke Nova Bank Letter of Credit No. 1 for Dement Townhomes Phase 2.

Resolution No.

Finance Information:

Account Number: NA

City Cost Amount: NA

Total Cost: NA

Special Circumstances:

Grant Funded: NA

Grant Title - CFDA or granting Agency: NA

Resolution #: NA

Location: (list below)

Address: Dement Townhomes Phase 2

District: District 1 ☐ District 2 ☐ District 3 ☐ District 4 ☐ District 5 ☐

Additional Comments:

RESOLUTION NO. 25-_____

WHEREAS, Nova Bank issued a certain letter of credit (No. 1) 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.

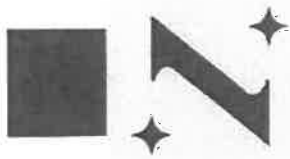
NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Huntsville, Alabama, that the City of Huntsville City Clerk be and is hereby authorized to present for payment to Nova Bank Letter of Credit No. 1, prior to the expiration date thereof, with the language as specified in said Letter of Credit.

ADOPTED this the 9th day of October, 2025.

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

APPROVED this the 9th day of October, 2025.

Mayor of the City of
Huntsville, Alabama



NOVA BANK

IRREVOCABLE LETTER OF CREDIT # 1

Beneficiary:

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

Account Party:

Homespace Builders LLC
2911 Thorn Blade Pl SE
Huntsville, AL 35801

Bank:

Nova Bank
532 Madison St.
Huntsville, AL. 35801

Subject:

Article 5 Improvements/Pre Acceptance Letter of Credit for
"Dement Townhomes Phase II"

Amount: \$50,000

Issue Date: 10/22/2024

Expiration Date: 10/22/2025

Gentlemen:

We hereby open our Irrevocable Standby Letter of Credit in your favor, effective October 22, 2024, for a sum not to exceed the aggregated of "\$50,000". Available by your one or more drafts at SIGHT on us.

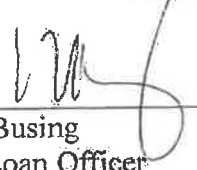
All draft(s) drawn under and in compliance with the terms of this Credit prior to the expiration thereof will be duly honored if drawn and presented for payment to Nova Bank, 532 Madison Street in Huntsville, Alabama.

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.


Pat Busing
Sr. Loan Officer
Nova Bank

MM 10-23-24

MM 10/23/24

SE 10/24/24