



# Huntsville, Alabama

308 Fountain Circle  
Huntsville, AL 35801

## Cover Memo

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**Meeting Type:** City Council Regular Meeting **Meeting Date:** 3/9/2023

**File ID:** TMP-2676

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**Department:** Legal

**Subject:**

**Type of Action:** Approval/Action

Resolution authorizing the Clerk-Treasurer to invoke Servis First Bank Letter of Credit No. 41586 for the Preserve at Clayton's Pond II.

**Type of Document:** 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:** The Preserve at Clayton Pond II

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

**Additional Comments:**

**RESOLUTION NO. 23-\_\_\_\_\_**

**WHEREAS**, Servis First Bank issued a certain letter of credit (No. 41586) 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 Servis First Bank Letter of Credit No. 41586, prior to the expiration date thereof, with the language as specified in said Letter of Credit.

**ADOPTED** this the 9th day of March, 2023.

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

**APPROVED** this the 9th day of March, 2023.

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Mayor of the City of  
Huntsville, Alabama

SERVISFIRST BANK  
Post Office Box 18127  
Huntsville, Alabama 35804  
T 256.722.7800 F 256.722.7810  
servisfirstbank.com

**AMENDMENT TO**  
**IRREVOCABLE LETTER OF CREDIT NO. 41586**



Beneficiary:	Accounts Party:	Bank:
City of Huntsville	Danesh Foroughi	ServisFirst Bank
P.O. Box 308	5016 Dale Road	401 Meridian Street, Suite 100
Huntsville, AL 35804	Huntsville, AL 35803	Huntsville, AL 35801

Subject: Article 5 Sidewalk, Letter of Credit for Article 5 Sidewalk, Letter of Credit for the Preserve at Clayton Pond Phase II, a Resubdivision of Tract 22, Green Mountain Auction Property (Plat Book 33, Page 23) and Lot 3 of Green Mt. Estates Ph II A Resubdivision of Tract 23 of Green Mountain Auction Property (Plat Book 38, Page 63)

Amount: \$23,700.00

Issue Date: March 18, 2022

Expiration Date: March 18, 2023

Gentlemen:

We hereby extend our Irrevocable Standby by Letter of Credit in your favor, effective March 18, 2022, for the sum not to exceed the aggregate of \$23,700 (Twenty-Three Thousand Seven Hundred Dollars and 00/100) 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 expiration thereof will be duly honored in drawn and presented for payment to ServisFirst Bank, 401 Meridian Street, Suite 100, Huntsville, AL 35801.

Each draft must be accompanied by a statement signed by representative of the City of Huntsville, AL stating that the draw is being made pursuant to the Article 5 Subdivision Regulations.

MW 4-5-22 7/B 4/5/22  
4-5-22

SERVISFIRST BANK  
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Huntsville, Alabama 35804  
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Beneficiary:	Accounts Party:	Bank:
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P.O. Box 308	5016 Dale Road	401 Meridian Street, Suite 100
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Subject: Article 5 Sidewalk, Letter of Credit for Article 5 Sidewalk, Letter of Credit for the Preserve at Clayton Pond Phase II, a Resubdivision of Tract 22, Green Mountain Auction Property (Plat Book 33, Page 23) and Lot 3 of Green Mt. Estates Ph II A Resubdivision of Tract 23 of Green Mountain Auction Property (Plat Book 38, Page 63)

Amount: \$55,372.50  
Issue Date: March 20, 2021  
Expiration Date: March 20, 2022

Gentlemen:

We hereby extend our Irrevocable Standby Letter of Credit in your favor, effective March 20, 2021, for the sum not to exceed the aggregate of \$55,372.50 (Fifty Five Thousand Three Hundred Seventy Two Dollars and 50/100) available by your one or more drafts at SIGHT on us.

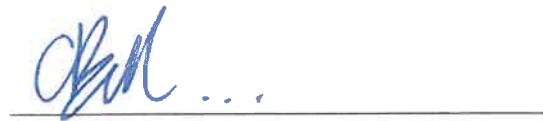
All draft(s) drawn under and in compliance with the terms of this Credit prior to the expiration thereof will be duly honored if drawn and presented for payment to ServisFirst Bank, 401 Meridian Street, Suite 100, Huntsville, AL 35801.

Each draft must be accompanied by a statement signed by a representative of the City of Huntsville, AL stating that the draw is being made pursuant to Article 5 of the Subdivision Regulations.

MW 3-29-21 KB 4/6/21  
MM 4/6/21

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.

This standby letter of credit is subject to and governed by the laws of the State of Alabama and UCP 600. For all purposes of this letter of credit, any provision of UCP 600 that, if applied, would conflict with Article 5 of the Alabama Uniform Commercial Code but for the application of such Article 5, shall be deemed excluded from UCP 600.



Caleb Beilstein

Bank Officer

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.

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.

This standby letter of credit is subject to and governed by the laws of the State of Alabama and UCP 600. For all purposes of this letter of credit, any provision of UCP 600 that, if applied, would conflict with Article 5 of the Alabama Uniform Commercial Code but for the application of such Article 5, shall be deemed excluded from UCP 600.



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Angel Stinson  
Senior Vice President