



Robert D. LiMandri
Commissioner

August 17, 2009

Alex J. Berger, Esq.
Assistant Deputy Director
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Re: OAC Registration - Letter of Credit Agreement

Sign Enforcement Unit
280 Broadway – 5th Floor
New York, NY 10007
www.nyc.gov/buildings

Dear Sir or Madam:

Tel: (212) 566-4567
Fax: (212) 566-3015

In connection with the implementation of Local Laws 14/2001, 31/2005 and Rule 49 and as the result of a Stay Agreement reached pending resolution of a legal appeal, the Buildings Department (the “**Department**”) is requiring that all Outdoor Advertising Companies (“**OACs**”) register with the Department.

As per RCNY §49-14, OACs submitting a Sign Inventory, must also submit a Letter of Credit, securing certain obligations imposed on OACs by applicable law. The Letter of Credit must be issued by a bank reasonably satisfactory to the Department and must be substantially in the form set forth in:

http://www.nyc.gov/html/dob/html/violations/signs_outdoor_temp.shtml

The amount of the Letter Credit required from you is \$ _____ (“**Requisite Amount**”), which was determined in accordance with RCNY §49-14(b). The Letter of Credit must be in full force and effect from and after the date of registration of the OAC with the Department until the Department determines that, in its discretion, the OAC no longer operates in New York City or the law no longer requires that the OAC provide a Letter of Credit as security for its obligations under RCNY §49-14.

As an OAC subject to the requirements of RCNY §49-14, you have to reimburse the City for any cost incurred by the City in connection with painting over, covering, and/or rendering ineffective an illegal sign or for the removal and storage of an illegal sign or sign structure under your control. You understand and agree that if you fail to reimburse the City for any such amount the City is authorized by New York City Administrative Code §28-502.2.2 to draw against the Letter of Credit and reimburse itself for any such costs as well as other fines and civil penalties owed by you to the City for your failure to comply with applicable sign laws.

In addition, please be advised that if the Letter of Credit is not renewed by the issuing bank at least 90 days prior to its expiration date, you must submit to the Department a replacement Letter of Credit

safety

service

integrity



substantially the same as the expiring Letter of Credit from another issuing bank reasonably satisfactory to the Department by no later than 60 days prior to the expiration date of the expiring Letter of Credit. If you fail to submit to the Department such replacement Letter of Credit within such deadline, the Department shall be entitled to draw the entire available amount of the expiring Letter of Credit in accordance with the terms thereof, and hold the proceeds of such drawing as cash collateral in an account or accounts maintained by the Department in its name with a bank or other depository institution selected by the Department (the "Collateral Account").

Furthermore, please be advised that if the Department effects a partial drawing under the Letter of Credit (i.e., an amount less than the full amount available under the Letter of Credit), you are required within 14 days of notice, to secure an amendment to the existing Letter of Credit from the issuing bank reinstating the Requisite Amount of the Letter of Credit, or submit to the Department either a new Letter of Credit for the Requisite Amount or an additional Letter of Credit in an available amount that together with the available amount of the original Letter of Credit equal the Requisite Amount. If the Department does not receive such amendment to the original Letter of Credit, new Letter of Credit or additional Letter of Credit as required hereby within 30 days, the Department may, in its sole discretion, draw the entire amount of the Letter of Credit and place the proceeds of said drawing in a Collateral Account.

Please indicate your consent to the foregoing terms and conditions by executing a copy of this letter where indicated below, and returning said copy to the undersigned.

Sincerely,

Alex J. Berger, Esq.
Assistant Deputy Director
Signs Enforcement Unit

AGREED TO AND ACCEPTED
[NAME OF ENTITY]

By: _____

Name:

Title: