

**Florida Department of Business and Professional Regulation**

**Letter of Credit for Yacht and Ship Broker/Salesperson  
§ 326.004, Florida Statutes**

**Model Documentary Letter of Credit Form**

**IRREVOCABLE STANDBY LETTER OF CREDIT NO. \_\_\_\_\_**

**Issuer:**

**Place and Date of Issue:**

**Presentation**

**This Credit Expires**

**The Final Termination for Retention of Deposit**

**Beneficiaries:** Any person in a transaction who suffers any loss as a result of any violation of the conditions in ss. 326.001-326.006, Florida Statutes.

**Delivered To:** Division of Florida Condominiums, Timeshares, and Mobile Homes  
1940 North Monroe Street  
Tallahassee, FL 32399-1031

**Terms.** Issuer establishes our Irrevocable Standby Letter of Credit No. \_\_\_\_\_ in favor of “any person in a transaction who suffers any loss as a result of any violation of the conditions in ss. 326.001-326.006[,]” Florida Statutes, and the Division of Florida Condominiums, Timeshares, and Mobile Homes, at the request and for the account of \_\_\_\_\_ up to the aggregate amount of \_\_\_\_\_, U.S. dollars \$\_\_\_\_\_, available upon **presentation** of:

(1) **The letter of credit.** The letter may be presented in paper form or electronic form as follows: (a) Paper form. This original letter of credit if the full amount or remaining partial amount is drawn, or, in a case of partial or multiple draws for less than the full amount, a photocopy of the original bearing the division’s certification and seal, bearing reference to this Letter of Credit No. \_\_\_\_\_. (b) Electronic Form. An electronic record of this letter of credit in Portable Document Format [.pdf] or recorded form in Portable Document Format and presented by electronic mail to issuer officer’s e-mail address provided above or by facsimile to issuer officer’s facsimile number provided above where issuer has provide an electronic record to the division.

**AND**

(2) **Document.** An official document awarding a specific amount to a named person harmed by the licensee that may be one of the following: (i) a certified copy of a final judgment or order of a court awarding an amount stated to a named person (beneficiary), i.e. a person who has suffered a loss in a transaction with the licensee; (ii) a certified copy of an order signed by

the division director awarding an amount stated to a beneficiary, i.e. a person who has suffered a loss in a transaction with the licensee; or (iii) a letter signed by the division director demanding payment: The statutory requirements for payment under Letter of Credit No. \_\_\_\_\_ to \_\_\_\_\_ is a person or persons who suffered a loss in the amount of US \$ \_\_\_\_\_ in a transaction with \_\_\_\_\_ in violation of Chapter 326, Florida Statutes.

**DELIVERY** to issuer shall be made in person at the address of issuer above, or by U.S. certified mail return receipt requested, or by overnight mail with signed delivery receipt if the letter of credit was issued in paper form, or by electronic presentation by facsimile transmission, electronic mail, or both if the letter of credit was issued in electronic form. Delivery of the document will be in paper form if the letter of credit is in paper form. Delivery of the document will be in electronic form if the letter of credit is delivered in electronic form.

**Delay.** If the issuer or a confirming bank is closed at the time of delivery for any reason that would prevent the delivery of a demand notice during its normal hours of operation, this letter of credit will be automatically extended for a period of 30 days commencing on the next day of the bank's operation.

**Issuer.** Issuer certifies that it is a bank authorized to do business in the State of Florida as a bank as required by section 326.004(7)(d), Florida Statutes. Issuer is authorized to conduct banking business in this state under chapters [655, 658, or 653], Florida Statutes.

**Charges.** All bank charges for this letter of credit are for the account of the licensee.

**Amendments.** Any amendments to this letter of credit must be approved by the division.

**Authority.** This letter of credit is issued in accordance with licensing regulations and under the authority of the Division of Florida Condominiums, Timeshares, and Mobile Homes, an agency of the State of Florida, under the Yacht and Ship Brokers' Act, chapter 326, Florida Statutes.

**Electronic record and presentation.** If issuer issues a letter of credit and document in electronic form, it may do so in a secured uneditable format, which must be compatible with the division's computer system for public record storage and retrieval. Issuer agrees that it will accept electronic presentation of its electronic letter of credit by electronic mail to the e-mail address provided above or by facsimile at the facsimile number provided. Issuer may require the beneficiary or division to verify electronic presentation by telephone to the officer. Issuer must notify division immediately of any change of officer. Electronic signatures are authorized under chapter 668, Florida Statutes.

**Effective date, expiration date and termination date.** This letter of credit is effective as of \_\_\_\_\_ and shall expire on \_\_\_\_\_ with the deposit remaining for at least 1 year \_\_\_\_\_ on \_\_\_\_\_, the final termination date, beyond the expiration date. A new letter of credit or a continuation certificate must be delivered to the division at the beginning of each license period.

**Notice of expiration.** Issuer shall notify the division and licensee 30 days before the expiration date of the letter of credit.

**Draw upon expiration or termination.** If \_\_\_\_\_ is unable to secure a bond, a new letter of credit or a continuation of this letter of credit acceptable to the division to replace this letter of credit 30 days before the termination date, the division may draw upon the full value of this letter of credit prior to or on the termination date. The bank shall give immediate notice to the applicant and the division of any notice received or action filed alleging: (1) the insolvency or bankruptcy of the issuer (financial institution); or (2) any violation of regulatory requirements that could result in suspension or revocation of the issuer's (bank's) charter or license to do business. The financial institution also shall give immediate notice to the division and the licensee if issuer (the bank), for any reason, becomes unable to fulfill its obligation under the letter of credit.

**Lost, mutilated or destroyed letters of credit.** If the division certifies to issuer that its original letter of credit has been lost, mutilated or destroyed, issuer agrees to reissue the letter of credit to division or notice its refusal to do so within 5 business days. If issuer refuses to reissue the letter of credit, licensee's license shall be automatically suspended under section 326.004(12), Florida Statutes, until a letter of credit or a security bond is accepted as required by section 326.004, Florida Statutes.

**Transfer rights.** The division may transfer its right to draw upon this letter of credit to any person who has suffered a loss as a result of any violation of the conditions in sections 326.001-326.006, Florida Statutes. Other beneficiaries' right of transfer or assignment are governed by sections 675.112-675.114, Florida Statutes.

**Partial and multiple draws.** Issuer authorizes a beneficiary to draw on this letter of credit in accordance with its terms and conditions up to the amount available under this letter of credit from time to time. Partial drawings are permitted and multiple drawings are permitted under this letter of credit. The amount available for drawing by a beneficiary under this letter of credit shall be automatically reduced to the extent of the amount of any drawings referencing this letter of credit that have been previously paid by us, the Issuer. Presentation of demands for drawings in amounts that exceed the amount available to be drawn under this letter of credit shall not be deemed a failure to comply with the requirements of this letter of credit provided that the amounts of any demand are limited to the amount ten available to be drawn. The aggregate liability of the Issuer in any one year may not exceed the aggregate amount of the credit.

**Honor.** Whenever this letter of credit is drawn on, under and in compliance with the terms of this letter of credit, we shall duly honor such draft upon its presentation to us within 30 days by payment directly to the beneficiary, or, if presented by the division, then to the State of Florida Chief Financial Officer for deposit to the Division of Florida Condominiums, Timeshares, and Mobile Homes Trust Fund account, established under section 718.509, Florida Statutes. Upon payment and no later than 5 business days of payment, issuer shall notify the division and the licensee of any payments made, the amount paid, and the balance remaining in the letter of credit.

**Notice of dishonor.** Issuer shall give the beneficiary and the Division notice of dishonor within three (3) business days of presentation. The notice of dishonor shall state all discrepancies upon which dishonor is based. Notice of dishonor does not bar a beneficiary or the division from curing the presentation and other presentations that meet the terms of this letter of credit. Issuer may retain the originals where issuer gives the beneficiary or division the opportunity to correct mistakes noticed in the dishonor, or return the originals to the division.

**Forum.** The forum for disputes between the division and issuer or any party asserting rights under this Letter of Credit is in the Second Judicial Circuit Court in and for Leon County, Florida. The forum for all other disputes in which the Division is not a party are governed by section 675.116, Florida Statutes.

**Governing Law.** This letter of credit is governed by chapters 326.004 and 675, Florida Statutes, and the International Standby Practices ISP 98, International Chamber of Commerce Publication No. 590 and in the event of conflict chapter 675, Florida Statutes, shall control. Version 1.1, Supplement to the Uniform Customs and Practice for Documentary Credits for Electronic Presentation (eUCP) applies to an electronic letter of credit but in the event of conflict, chapters 326 and 675, Florida Statutes, will control.

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