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June 28, 1996

Mrs. Karon Beyer, Chief  
Bureau of Commercial Recording  
Florida Department of State  
Corporate Filings  
P. O. Box 6327  
Tallahassee, FL 32314

800001889848  
-07/10/96--01078--008  
\*\*\*\*350.00 \*\*\*\*350.00

800001889848  
-07/10/96--01078--009  
\*\*\*\*\*52.50 \*\*\*\*\*52.50

Re: Declaration of Trust of the Automobile Insurance Premiums  
Trust, a Florida Common Law Business Trust

Dear Mrs. Beyer:

My associate, Thomas M. Willoughby, who represents G&W Asset Management, Inc., has talked to Earl Sauter regarding securities issues and had discussions with Alan Liefer of the Department of Insurance regarding G&W's assurances that it would not act as a premium finance company, especially in the event of a default by one of its Florida creditors.

It is our understanding that all issues have been resolved with these offices and we are now returning this Trust for filing. If you have any further questions, please feel free to contact me or Mr. Willoughby.

Very truly yours,

*Erik C. Larsen*  
Erik C. Larsen

/det

7/2/96  
Confirmed with Earl  
Sauter that this  
D.T. was OK to file. He  
confirmed conversation  
w/ Thomas Willoughby that  
if securities transactions  
occurred in Fla. further  
registration with Dept  
of Banking & Finance would  
be required.  
K. Beyer

per John Dunphy (DOT)  
This doc OK to  
file

Dmc  
7/2/96

FILED  
56 JUL -2, PM 3:54  
TALLAHASSEE, FLORIDA

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FLORIDA DEPARTMENT OF STATE  
Sandra B. Mortham  
Secretary of State

**MEMORANDUM**

**TO:** John Dunphy, Department of Insurance  
**FROM:** Karon Beyer, Chief, Bureau of Commercial Recording *Karon*  
**DATE:** April 26, 1996  
**SUBJECT:** Declaration of Trust

Attached is a copy of a "Declaration of Trust of the Automobile Insurance Premiums Trust, A Florida Common Law Business Trust".

Attorney Eric Larson has presented this document to be filed under Chapter 609, Florida Statutes. This is an old out-dated statute that is used very infrequently. The minimal filing requirements have been met for filing with the Division of Corporations however, information relative to your agency is also included in the document. Please review this document and notify me as to your approval or disapproval of the filing.

If you have any questions you can call me at 487-6900. Please return the document with your comments to me at the following address:

Karon Beyer, Chief  
Bureau of Commercial Recording  
Department of State  
Division of Corporations  
George Firestone Building  
Mail Station #11

KB/ml



FLORIDA DEPARTMENT OF STATE  
Sandra B. Mortham  
Secretary of State

**MEMORANDUM**

**TO:** Bruce Ricca, Department of Banking and Finance  
**FROM:** Karon Beyer, Chief, Bureau of Commercial Recording *Karon*  
**DATE:** April 26, 1996  
**SUBJECT:** Declaration of Trust

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Karon Beyer, Chief  
Bureau of Commercial Recording  
Department of State  
Division of Corporations  
George Firestone Building  
Mail Station #11

KB/ml

FILED

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**THE DECLARATION OF TRUST OF THE  
AUTOMOBILE INSURANCE PREMIUMS TRUST**

**A Florida Common Law Business Trust**

THIS DECLARATION OF TRUST of the Automobile Insurance Premiums Trust, dated February 29, 1996, a Florida Common Law Business Trust, is between G&W Asset Management, Inc., a Georgia Corporation, the Grantor; Fidelity National Bank, a National Bank, the Trustee, and Berkshire-Lloyds Acceptance Corp., a Florida corporation, the Beneficiary of the Trust.

**RECITALS**

A. The Grantor wishes to form a trust for the purposes set forth in Section 2.2 of this Declaration of Trust and shall contribute Ten Thousand Dollars (\$10,000) to the Trust to be used for the formation and initial operations of the business of the Trust.

B. The Trustee has expressed its willingness to act as Trustee on behalf of the Trust, with duties to be limited to the monitoring of the activities of the Grantor, which shall be acting as Servicing Manager of the Trust's business, and, in consideration of the compensation set forth below, agrees to perform said duties, as more further defined hereafter, with respect to the Trust Estate and on behalf of the Beneficiary.

C. The Beneficiary has expressed its desire to be the Beneficiary. The Beneficiary shall have no voting rights, management rights, or other rights regarding the operation of the trust business, other than as may be granted to a beneficiary in order to preserve the Trust Estate under Florida law.

NOW, THEREFORE, in consideration of the covenants and agreements hereinafter set forth, the Trustee, pursuant to the directions of the Grantor as declared herein, hereby agrees that it will hold the Trust Estate (as hereinafter defined) in trust for the benefit of the Beneficiaries in accordance with the terms of this Declaration of Trust:

**DEFINITIONS**

In addition to the terms defined above, the following terms, unless otherwise defined herein, shall have the following meanings set forth below.

*THE AUTOMOBILE INSURANCE PREMIUMS TRUST,  
DECLARATION OF TRUST, PAGE 2*

**"Affiliates"** means licensed Premium Finance Companies that are wholly owned by the Grantor/Servicing Manager or are managed, pursuant to management contract by the Grantor/Servicing Manager.

**"Clients"** means the licensed Insurance Premium Finance Companies to which the Trust will loan funds, which these Clients will use to loan to consumers to finance their property and casualty insurance premium typically over a four (4) to a ten (10) month period.

**"Beneficiary"** means Berkshire-Lloyds Acceptance Corp., a Florida corporation and an affiliate and wholly owned subsidiary of G&W Asset Management, Inc.

**"Expenditures"** means any cash expenditures made or incurred by the Trust, pursuant to the terms of this Declaration of Trust, in the furtherance of its business or in connection with the lending of funds to licensed Insurance Premium Finance Companies for the purposes stated herein and as such expenditures are reasonably necessary to protect and preserve the principal of the funds lent through the creation and filing of security and collateralization procedures and documentation..

**"Investment Capital" and "Property"** means the investment capital and property contributed by the Grantor, being Ten Thousand Dollars (\$10,000).

**"Investor"** means the purchasers (also referred to as "Note Holders") of the Two year (2), Three (3) year and Five (5) Year with Fixed Rates of Eight Percent (8%), Nine Percent (9%), and Ten Percent (10%), per annum, respectively, Promissory Notes to be issued pursuant to the terms of the Memorandum.

**"Memorandum"** means the Private Placement Memorandum of The Automobile Insurance Premiums Trust, dated February 29, 1996.

**"Note Holders"** means the holders of the Notes issued or to be issued by the Trust, pursuant to the Private Placement Memorandum, dated February 29, 1996.

**"Notes"** means Promissory Notes (receivables backed notes) issued by the Trust of either Two (2) year, Three (3) year or Five (5) Year Terms of Maturity (at each Investor's option) with Fixed Rates of Eight percent (8%) for the 2 year Notes, Nine percent (9%) for the 3 year Notes, and Ten percent (10%) for the 5 year Notes, respectively. The Notes are secured by Premium Finance Loan Agreements, the accounts receivable and other

*THE AUTOMOBILE INSURANCE PREMIUMS TRUST,  
DECLARATION OF TRUST, PAGE 3*

business assets of such borrowers (Clients), as is more particularly described in the Private Placement Memorandum, dated February 29, 1996.

**"Offering"** means the offer and sale of the Notes as described in the Private Placement Memorandum, dated February 29, 1996.

**"Premium Finance Agreement"** means an agreement between a consumer seeking to finance property and casualty insurance (cars, businesses, etc.) and a Client to which the Trust has or will loan funds for that transaction.

**"Premium Finance Loan Agreement"** means an agreement between a Client and the Trust evidencing a loan to the Client from the Trust.

**"Receipts"** means all rent, interest, other income, and other payments received by the Trust during any year, excluding therefrom the proceeds of any contributions, loans, or advances by any Beneficiary to the Trust.

**"Servicing Manager"** means G&W Asset Management, Inc., which is also the Grantor. The Servicing Manager, pursuant to agreement with the Trust, will have control over all day-to-day marketing, sales, lending, collection, and distribution decisions of the Trust. It will have overall control of the Trust business, subject only to the custodial monitoring and review by the Trustee. Duties of the Servicing Manager not specifically defined herein shall be authorized by Trustee by way of a Power of Attorney to the Servicing Manager to further the goals of the business of the Trust.

**"Term"** means the duration of the Trust as set forth in Section 2.4, i.e., five (5) years from the admittance of the last Note Holder to be admitted to the Trust, plus such reasonable time required for the winding up of Trust operations, but in no event later than May 20, 2001.

**"Trust Estate", Trust Property" and "Trust Assets"** means (i) all estate, right, title, and interest of the Trust in and to the Insurance Premium Finance Company Loans (evidenced by the Promissory Notes therefore) and the Accounts Receivables and other business assets of the borrowers that secure the loans of the Trust, (ii) all amounts of whatsoever kind or nature payable to the Trust thereunder directly or indirectly, (iii) all amounts from time to time held in any bank accounts or other investments of the Trust,

(iv) any and all payments received by the Servicing Manager for the benefit of the Trust, the Beneficiary or the Note Holders, (v) all earnings on any such amounts from time to time, and (vi) any other property of the Trust.

## **ARTICLE II ORGANIZATION**

**2.1. Name.** The name of the Trust is the Automobile Insurance Premiums Trust, a Florida Common Law Business Trust.

**2.2. Purpose.** The purpose of the Trust is to provide profit to the Beneficiary by loaning funds from the Trust Estate to licensed Insurance Premium Finance Companies and receive interest income therefrom. The income from such loans shall then be re-invested in further such loans. The loaned funds are to be used for the exclusive purpose of lending to consumers seeking to finance their automobile insurance premiums, business liability insurance receivables and other property and casualty insurance receivables over short terms, typically of four (4) months to ten (10) months in duration, and pursuant to the Insurance Premium Finance laws of the respective states in which the Trust will loan its funds. This Trust is further authorized to do such other acts as legally authorized pursuant to the Florida statutes relating to Florida Common Law Business Trusts.

**2.3. Office.** The Trust maintains a nominal Florida office at 243 W. Park Ave., Suite 201 Dr., Winter Park, Florida 32789, but its primary business address at which all substantial business activities will occur shall be in care of the Servicing Manager, G&W Asset Management, Inc., 1800 Lake Park Drive, Suite 100, Smyrna, Georgia 30080, Donald A. Wagley, President.

**2.4. Duration.** The Trust has been established on February 29, 1996, and shall terminate upon the earliest to occur of: (i) the liquidation and final distribution to the last Note Holder of the last quarterly interest payment and return of principal in full to that Note Holder, pursuant to the terms of the Promissory Note and of this Declaration of Trust; (ii) the institution of any proceedings under any federal or state law for the relief of debtors by the Beneficiary, the

Servicing Manager or the Trustee, including the filing of a voluntary or involuntary petition under the United States Bankruptcy Code or the appointment of any conservator or receiver or the making of any assignment for the benefit of creditors; or (iii) Five (5) years from the date of the subscription and acceptance of the last Note Holder to be admitted to this Trust, (iv) but in all events this Trust shall terminate no later than May 20, 2001. It is to be provided however, that if all Note Holders have not received all interest due and a complete return of principal as of that date, then such Note Holders shall receive that which is due them from the liquidated proceeds of the Trust Estate and shall have the highest priority of lien therefore allowed by the laws of the state of Florida.

**2.5. Place of Formation.** This is a business trust, also known as a Common Law Declaration of Trust formed pursuant to the laws of the State of Florida.

**2.6. Reference to the Trust.** It is understood that when the term "Trust" is used in this Declaration of Trust, it is intended to mean the Automobile Insurance Premiums Trust, created for the benefit of the Beneficiary under this Declaration of Trust.

### **ARTICLE III THE NOTE HOLDERS**

**3.1. Contributions of Note Holders.** The Note Holders hereby agree pursuant to the terms of this Trust, to contribute to the Trust the Investment Capital or Property, in such amounts and upon such terms as agreed to in the Two (2) year, Three (3) year or Five (5) year Fixed Rate Recourse Promissory Notes.

**3.2 Capacity of the Note Holders.** The Note Holders shall not:

- (a) be required to lend, advance, or otherwise contribute additional funds to the Trust for any purpose, except pursuant to Article VI;
- (b) be entitled to the return of all contribution of funds made hereunder, except as described in the distributions authorized under Article V, paragraph 5.1.

**3.3 Additional Note Holders.** Additional Note Holders may be added during the earlier of the of twelve (12) months from the date of this Trust (plus Ninety (90) days thereafter at the option of the Servicing Manager), or until there has been subscribed a maximum of Two Million Five Hundred Thousand Dollars (\$2,500,000) of the above described Notes.



#### **ARTICLE IV ACQUISITION OF PROPERTY**

4.1. **Acquisition of the Interest.** The Beneficiary hereby authorizes and directs the Servicing Manager, on behalf of the Trust, to enter into short term, revolving credit loans to profitable, licensed Insurance Premium Finance Companies ("Clients") in good standing in their respective states. The loaned funds shall be used by the Clients for the exclusive purpose of lending to consumers seeking to finance their automobile, business liability, and other property and casualty insurance premiums over short terms, pursuant to the Insurance Premium Finance laws of the respective states. The Servicing Manager shall acquire and take title to Security Interests in Premium Finance Accounts Receivable and such other security and collateral as is reasonably required to assure a return of principal in the event of default. .

4.2. **Execution of Documents.** The Beneficiary hereby authorizes and directs the Servicing Manager, on behalf of the Trust, to execute any agreements that are necessary or desirable to effect the Premium Finance Loans. The Beneficiary hereby authorizes and directs the Servicing Manager, on behalf of the Trust, to execute any other documents necessary for the conservation and protection of the principal of such Loans.

#### **ARTICLE V APPLICATION OF RECEIPTS, EXPENDITURES, AND PROCEEDS**

5.1. **Application of Receipts.** Receipts of the Trust shall be applied by the Servicing Manager in the following order or priority:

- (a) First, to pay interest, as and when due on the Notes and selling commissions to NASD Broker/Dealers. Return of principal on all Notes shall be paid at the expiration of the Two (2) year, Three (3) year or Five (5) year period (at each Investor's chosen option for his or her desired Term of Maturity) of each Note in this same priority,
- (b) Then, to pay operating expenses of the Trust, including fees to the Trustee and to the Servicing Manager;
- (c) Then to pay the balance to the Beneficiary.

5.2. **Date of Reporting.** Receipts and expenditures shall be accounted for and reported to the Beneficiaries and to the Note Holders from time to time but not less frequently than annually; provided, however, that in the event any person shall be substituted for another with respect to all or any part of an interest in the Trust or in interests in the Notes at any time in accordance with the requirements of Section 9.1 or 9.2, Receipts and Expenditures, in respect of such interest or

part thereof shall be allocated to or borne by each such person in the proportion that the number of days in such year during which such person held such or part thereof bears.

**5.3. Time of Receipt.** When the Servicing Manager is required to disburse funds on the day of receipt, the Servicing Manager shall have no duty to make such disbursement unless the Servicing Manager shall have received the funds no later than 2:00 P.M. Eastern Standard Time.

#### **ARTICLE VI THE TRUSTEE**

**6.1. Duties, and Powers of the Trustee, the Servicing Manager, the Beneficiary, and the Note Holders.** The Trustee shall provide custodial services to the Trust by monitoring, from time to time the business activities of the Servicing Manager. Trustee acknowledges that the Servicing Manager have full power and authority to protect, conserve, and preserve the Trust Estate by performing the following duties:

(A) The Servicing Manager shall have authority and control over all lending and collection duties provided for in this Declaration of Trust, including, without limitation, the determination of creditworthiness of potential Clients (Insurance Premium Finance company borrowers), the lending of funds to Clients on revolving lines of credit, the securing of adequate collateral to protect the Trust and its Note Holders, the collection of the Interest, and such actions as may be necessary and required to assure the return of principal from Clients in the event of default. In each and every action on behalf of the Trust or the Trust Estate, the Servicing Manager shall conduct itself so that each other person who is a party to any such action is made aware that the Servicing Manager is acting in for and on behalf of the Trust. Servicing Manager agrees to be bound to its duties herein as if it were the Trustee.

(B) The Note Holders have no duty to contribute to the Trust beyond the amounts of commitments as specified in the Subscription Agreement and Letter of Investment Intent for each Note Holder. The Servicing Manager on behalf of the Trust shall have neither the power nor the duty to take such actions as may be necessary to preserve and protect the Trust Estate except as set forth as follows:

(a) To loan funds and to enter into short term, revolving credit loans to profitable, licensed Insurance Premium Finance Companies that are in good standing in their respective

domiciliary states, and to accept such security for the repayment of said loans as is commercially acceptable and reasonably required to assure such repayment.

- (b) To take such actions as are necessary to protect the security of the Note Holders and the Beneficiary by enforcing the Insurance Premium Finance Loan Agreements and Promissory Notes, as well as the security and collateral so obtained to assure and secure the prompt repayment of the loans to the Trust.
- (c) Execute and file any and all required financial reports, tax returns, and other documents consistent with its authority.

(C) No implied duties or obligations shall be read into this Declaration of Trust, except as provided in Section 6.3. The Servicing Manager, on behalf of the Trust shall not be required to take any action under Sections 6.3 or 6.4, nor shall any other provision of this Declaration of Trust be deemed to impose a duty on the Servicing Manager to take any action, if the Servicing Manager or Trustee shall have been advised by counsel that such action would be in violation of law. The Servicing Manager shall not be liable to the Beneficiary or any Note Holder for: (i) any action taken or omitted to be taken by the Servicing Manager in good faith and within the scope of the authority conferred by this Declaration of Trust and that comports with the Servicing Manager's fiduciary duties. The Servicing Manager shall have no duty (a) to seek a ruling from the Internal Revenue Service in respect to any of the transactions contemplated hereby or (b) to diversify the investments and assets held by the Trust. So long as any cash held by the Trust is not required for Trust purposes and prior to the time it is required to be distributed pursuant to Section 5.1, the Servicing Manager shall deposit all such funds in one or more checking accounts or in United States Treasury or agency securities, interest bearing deposits at FDIC insured banks, repurchase agreements secured by U. S. Treasury or agency securities, money market mutual funds and prime commercial paper. The Servicing Manager shall have the authority to incur express obligations on behalf of the furtherance of the purposes of the Trust. Neither the Trustee nor the Servicing Manager shall have any personal liability for the obligations of the Trust under any circumstances, except that the Servicing Manager, as Grantor, has agreed to indemnify and hold harmless the Trustee against any and all claims, demands and damages insured as a result of its position as Trustee, and to pay all creditors, specifically including the Note Holders of the Trust.

**6.2. Power to Appoint Co-Trustee.** At any time or times, for the purpose of meeting any legal requirements of any jurisdiction in which any part of the Trust Estate may at the time be located, the Trustee may appoint one or more individuals or corporations to act as separate Trustee or Trustees of all or part of the Trust Estate to the full extent that local law makes it necessary or requires such separate Trustee to serve alone or to act jointly with the Trustee. Nothing herein shall reduce the authority of the Servicing Manager to fully manage the business affairs of the Trust and to be fully responsible therefore, subject only to the custodial duties of the Trustee to review and monitor.

**6.3. No Action Except Under Declaration of Trust or Instructions.** The Servicing Manager shall not manage, control, use, sell, or otherwise transfer title to, or dispose of or otherwise deal with the Interest or any part of the Trust Estate, except: (i) as required by the terms of the Insurance Premium Finance Loan Agreements, (ii) in accordance with sound business and commercial standards of conduct to preserve and protect the income, principal of the loan transactions and of the Trust Estate, or (iii) in accordance with the powers expressly granted to, or the authority expressly conferred upon, the Servicing Manager pursuant to this Declaration of Trust; and no implied duties or obligations shall be read into this Declaration of Trust against the Servicing Manager or the Trustee.

**6.4. Expenses of the Trust; Indemnification of the Trustee.** The Grantor shall be liable for and agrees to indemnify the Trustee from and against any and all liability, loss, damage, penalty, tax (other than any income taxes on fees or other compensation received by the Trustee in its capacity as Trustee), claims, actions, suits, demands, judgments, costs, expenses, or disbursements, including, without limitation, legal fees and expenses of any kind or nature whatsoever that may be incurred by or imposed upon or asserted against the Trustee, the Grantor/Servicing Manager, the Trust or the Beneficiary in any way relating to or arising out of this Declaration of Trust, or any document contemplated hereby or thereby, or in the performance or enforcement of the terms hereof or thereof, or in any way relating to or arising out of the lending of funds as is more fully described herein and the Private Placement Memorandum, or in any way relating to or arising out of the administration of the Trust Estate, and the Grantor agrees to reimburse the Trustee for any reasonable out-of-pocket expense incurred by it in connection with any of the foregoing. Without limiting the generality of the foregoing, the Trustee shall be entitled to indemnification by the Grantor against the reasonable expenses (including attorneys' fees) actually incurred by the Trustee in connection with the

*THE AUTOMOBILE INSURANCE PREMIUMS TRUST;  
DECLARATION OF TRUST, PAGE 10*

defense of any action to which the Trustee may be made a party in connection with the performance of the Trustee's duties hereunder.

**6.5. Other Activities of the Trustee.** The Trustee shall not be obligated to devote its full time to the administration of the Trust Estate and may engage in other activities, including other trusts and entities similar to the Trust, and in other business ventures, whether similar in nature to this Trust or not.

**6.6 Compensation of the Trustee and Servicing Manager.** As compensation for its ordinary duties under this Declaration of Trust and in lieu of any statutory compensation to which it may otherwise be entitled, the Trustee and Servicing Manager shall all receive, out of the income derived from the loans to the Insurance Premium Finance Companies from the contributions of the Note Holders to the Trust, the following compensation:

**COMPENSATION PAYABLE BY THE TRUST  
OFFERING AND ACQUISITION STAGE**

<u>Entity Receiving Compensation</u>	<u>Form and Method of Compensation</u>	<u>Estimated Amount</u>
Servicing Manager	The Trust will advance such expenses necessary for commissions and other necessary costs from offering proceeds but not to exceed 10.5% of the sale of Notes.	Not known at this time, but not to exceed \$262,500. The return on Notes will be paid currently despite the temporary use of these funds. This also assumes all commissions will be 6.5%.

**OPERATING STAGE**

ALL OPERATING STAGE COMPENSATION SHALL BE SUBORDINATED TO THE PAYMENT OF INTEREST DUE TO NOTE HOLDERS ON A QUARTERLY BASIS.

<u>Entity Receiving Compensation</u>	<u>Form and Method of Compensation</u>	<u>Estimated Amount</u>
Servicing Manager	Annual compensation for services as Servicing Manager of this Trust after payment of obligations to Note Holders	\$1,000 per month plus any direct expenses for the Trust (amount unknown).
Trustee	Annual compensation for services as Trustee of this Trust	Maximum of 1% per year with sliding % scale per Trustee's fee schedule.

*THE AUTOMOBILE INSURANCE PREMIUMS TRUST,  
DECLARATION OF TRUST, PAGE 11*

<u>Entity Receiving Compensation</u>	<u>Form and Method of Compensation</u>	<u>Estimated Amount</u>
Servicing Manager	Annual reimbursement for organizational and general and administrative expenses in an amount not to exceed 1% of the purchase price of each Note. If organizational and general and administrative expenses are greater than the amount of reimbursement, the Servicing Manager will be responsible for	Not known at this time, but no more than \$25,000 if the Maximum Offering is subscribed.
Beneficiary	Cash Available for Distribution from the Trust after payment to the Note Holders of interest, operating expenses, fees to the Trustee and Servicing Manager	Not known at this time.

**LIQUIDATING STAGE**

<u>Entity Receiving Compensation</u>	<u>Form and Method of Compensation</u>	<u>Estimated Amount</u>
Servicing Manager	Any current expenses that are due at time of liquidation to be paid as part of winding up	Not known at this time.
Note Holders	Repayment of accrued & unpaid interest. This obligation is cumulative	Not known at this time.
Note Holders	Repayment of principal in full on each Note outstanding.	Not known at this time but not to exceed \$2,500,000.
Beneficiary	Cash Available for Distribution from the Trust after payment to the Note Holders of interest, operating expenses, fees to the Trustee and the Servicing Manager	Not known at this time.

**ARTICLE VII  
BOOKS, RETURNS AND ACCOUNTS**

7.1. **Books and Returns.** The Servicing Manager shall keep or cause to be kept books of account in which shall be entered fully and accurately each transaction consummated by or on behalf of the Trust with respect to the Trust Estate. All such books shall be open to inspection and examination by the Note Holders and the Beneficiary by appointment during normal business hours and the Note Holders and Beneficiaries may cause an audit thereof at the expense of the party or parties demanding same. The Servicing Manager shall send or

cause to be sent to the Beneficiary and to the Note Holders a copy of financial statements, reports or returns no less often than annually. The Servicing Manager will execute, deliver or file such statement, report or return and any instruments, documents or certificates incidental thereto, provided that the same are acceptable to the Servicing Manager and the Servicing Manager's counsel.

**7.2. Bank Accounts.** The Servicing Manager shall open and maintain: (i) one or more demand deposit accounts or negotiable order withdrawal accounts in the name of the Trust in which shall be deposited the Note Holders' cash contributions; (ii) the Receipts, as received, pending distribution in accordance with the terms of this Declaration of Trust; and (iii) any other proceeds, as received, pending distribution. The Servicing Manager may also open and maintain such other bank accounts as the Servicing Manager may direct. Each such account shall be maintained only with institutions whose deposits are insured by the FDIC .

#### **ARTICLE VIII SUCCESSOR TRUSTEE**

**8.1. Resignation of Trustee.** The Trustee may resign at any time without cause by giving at least 60 days prior written notice to the Grantor, Servicing Manager, Note Holders, and Beneficiary. Such resignation shall be effective on the date of acceptance by the Board of Successor Trustees, which resignation will be promptly accepted, as such Board is defined and provided, below. This Board shall serve upon a resignations as well as for the removal of Trustee.

**8.2 Bankruptcy, Dissolution, or Removal of Trustee; Appointment of Successor.**  
The Trustee may be removed at any time, for good cause only, such as, but not limited to, bankruptcy of the Trustee, its willful acts in contravention of the or in conflict with the interests of the Trust, or violation of those duties specifically delineated herein for the Trustee to perform. Such removal shall be made by an instrument in writing from the Beneficiary and delivered to the Trustee. This demand shall designate that a three member Board of Successor Trustees, consisting of Priscilla Granese, Gerald Hancock, Ralph Terry and E. Hugh Edenfield, or the survivors of them, all being employees of the Grantor, shall temporarily succeed as Co-Trustees until a Successor Trustee shall be appointed. Such appointment of a Successor Trustee shall be made no less than Ninety (90) days from the termination or resignation of the previous Trustee. This Board of Successor Trustees shall also succeed to the position of Successor Trustee in the

event of a resignation, or of the death or incapacity of a Trustee, if an individual person shall ever be appointed Trustee. If the Board of Successor Trustee shall fail to appoint a Successor Trustee within Ninety (90) days, of the bankruptcy, dissolution, resignation, or removal of the Trustee, the Beneficiary may apply to any court of competent jurisdiction to appoint an Interim Successor Trustee to act until such time as a Successor Trustee shall have been appointed as provided above. Any Successor Trustee selected or appointed in accordance with this Section 8.2 shall, in lieu of any statutory compensation to which it may otherwise be entitled, shall receive such compensation for its services as shall be approved by the Beneficiary or a court of competent jurisdiction if the beneficiary shall fail to do so. No bond shall be required by any Trustee serving hereunder. The duties of the interim Board of Successor Trustees and of any Successor Trustee shall be the same as those of the Trustee named herein, which is to act in a custodial capacity to review and monitor the actions of the Servicing Manager.

#### **ARTICLE IX TERMINATION OF TRUST**

9.1. **Termination.** Except as otherwise expressly provided in this Declaration of Trust, the Trust shall be terminated upon expiration of the Term or the occurrence of an earlier event, as provided in Section 2.4.

9.2. **Duties of Servicing Manager Upon Termination.** Upon the termination of the Trust, the Servicing Manager shall proceed diligently to wind up the affairs of the Trust and distribute the Trust Estate to the Beneficiary, after payment of all obligations to the Note Holders and other creditors of the Trust.

9.3. **Accounting on Termination.** Upon termination of the Trust, the Servicing Manager shall cause the Trust's accountants to make a full and proper accounting of the assets, liabilities, and operations of the Trust, as of and through the completion of such termination.

#### **ARTICLE X GENERAL**

10.1. **Action of Beneficiary; Joint and Several Obligations.** Except as herein provided otherwise:

- (a) Where any direction, consent or other action of the Beneficiary is required to be given or taken hereunder, such direction, consent or action shall be evidenced by a certificate from the Trustee or the Servicing Manager, certifying that such direction, consent or action has



*THE AUTOMOBILE INSURANCE PREMIUMS TRUST,  
DECLARATION OF TRUST, PAGE 14*

- been taken or given by the Beneficiary (either by written authority from the Beneficiary or pursuant to the Servicing Manager's authority to act on behalf of the Beneficiary), and;
- (b) The Servicing Manager shall take or refrain from taking any action with respect to the Trust Estate if such action (or non-action) is directed by the written instructions of the Beneficiary. However the Beneficiary shall not be entitled to participate in or direct the day to day activities of the Trust.

**10.2. Notices.** Any notice, consent or other communication required or permitted to be given under any provision of this Declaration of Trust shall, except as otherwise provided in this Declaration of Trust, be deemed to have been sufficiently given or served for any purpose only if in writing, delivered personally or sent by registered or certified mail, postage card charges prepaid, or by standard prepaid telegram, if to the Trustee at the principal office of the Trustee; or if to the Servicing Manager to the address of G&W Asset management, Inc. Any such notice, communication or consent shall be deemed to be given upon delivery thereof when deposited, postage prepaid, in a regularly maintained receptacle for deposit of United States mail to the correct address of record maintained by the Trust.

**10.3. Further Assurances.** The parties hereto agree hereafter to execute, acknowledge, deliver, file, record, and publish such further certificates, instruments, agreements and other documents and to take all such further action as may be required by law or reasonably requested by the Servicing Manager or the Trustee in furtherance of the Trust's purposes and the objectives and intentions underlying this Declaration of Trust and not inconsistent with the terms hereof.

**10.4. Amendments.** The Declaration of Trust may be amended at any time with the consent of the Beneficiary.

**10.5. Miscellaneous.** The following shall apply throughout this Declaration of Trust:

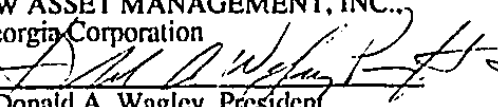
- (a) The headings in this Declaration of Trust are inserted for convenience of reference only and shall not be construed to define or limit the scope, extent, or intent of this Declaration of Trust or any provision hereof.
- (b) If any term or provision of this Declaration of Trust is held to be illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of this Declaration of Trust.

THE AUTOMOBILE INSURANCE PREMIUMS TRUST,  
DECLARATION OF TRUST, PAGE 15

- (c) This Declaration, and the application and its interpretation, shall be governed exclusively by the terms of this Declaration of Trust and, in the event of any conflict, by the laws of the State of Florida.
- (d) This Declaration of Trust may be executed in any number of counterparts with the same effect as if the Beneficiary, Grantor/Servicing Manager, and Trustee had all signed the same instrument. All such counterparts shall be construed together and shall constitute one agreement.
- (e) The provisions and agreements contained in this Declaration of Trust shall be binding upon and inure to the benefit of the Note Holders and the Beneficiary and, to the extent permitted by this Declaration of Trust, the respective successors and assigns of the Beneficiary and the Note Holders.
- (f) This instrument incorporates and represents the entire agreement between the parties hereto, regardless of anything to the contrary contained in any other instrument or notice purporting to summarize the terms hereof.
- (g) References to Articles and Sections, unless otherwise stated, are to Articles and Sections of this Declaration of Trust.

THE UNDERSIGNED HAVE HEREUNTO EXECUTED this Declaration of Trust this 29th day of February, 1996.

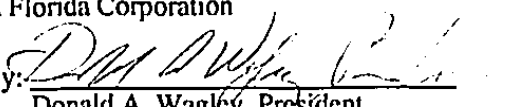
**GRANTOR/SERVICING MANAGER**  
G&W ASSET MANAGEMENT, INC.,  
a Georgia Corporation

By:   
Donald A. Wagley, President

**TRUSTEE:**  
FIDELITY NATIONAL BANK,  
a national bank

By:   
Thomas E. Gould, Trust Officer

**BENEFICIARY:**  
BERKSHIRE-LLOYDS ACCEPTANCE CORP.  
a Florida Corporation

By:   
Donald A. Wagley, President

DESIGNATION OF REGISTERED AGENT  
THE AUTOMOBILE INSURANCE PREMIUMS TRUST

FIDELITY NATIONAL BANK, a Georgia corporation, as Trustee of The Automobile Insurance Premiums Trust, a common-law trust formed pursuant to Chapter 609, Florida Statutes, hereby designates the the Registered Agent and the Registered Office of the Trust as follows:

THOMAS M. WILLOUGHBY  
243 WEST PARK AVENUE  
WINTER PARK, FLORIDA 32789

IN WITNESS WHEREOF, the Trustee has caused its official hand and seal to be affixed hereto this 10<sup>th</sup> day of April, 1996

FIDELITY NATIONAL BANK  
a national bank

By: Thomas E. Gould VP  
Thomas E. Gould, Trust Officer

ACCEPTANCE OF DESIGNATION AS REGISTERED AGENT

The undersigned, having been designated as Registered Agent of THE AUTOMOBILE INSURANCE PREMIUMS TRUST, a Florida common-law trust, hereby accepts this appointment to serve as Registered Agent, and hereby acknowledges that he is familiar with and accepts the obligations of this position.

REGISTERED AGENT:

Thomas M. Willoughby  
THOMAS M. WILLOUGHBY

FILED  
6 JUL -2 PM 3:54  
TALLAHASSEE  
FLORIDA