

Account # WF 000A3C
Doc # 38
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Notes _____

Loan Policy

Effective Date: January 1, 2011
Employer Name ("Employer"): AAA Carolinas
Account Name (the "Plan"): AAA Carolinas Savings & Retirement Plan
Wells Fargo Account Number(s): _____

The Employer for the Plan adopts this Loan Policy pursuant to the terms of the Plan and designates itself as the administrator of the loan program. This document, which is part of the Plan, describes the rules and guidelines in making loans to participants from the Plan. The Employer reserves the right to make such changes in the Loan Policy from time to time as it deems appropriate. As loan administrator, the Employer is responsible for providing a process for Participants to secure Participant loans, approving such loans and instructing the trustee to make loans to Participants. This policy sets forth the rules of the loan program.

- **Loan Application** - Any Participant who is actively employed may apply for a loan from the Plan subject to the limitations and conditions under this Loan Policy. Loans shall not be made available to highly compensated employees in an amount (expressed as a percentage of vested account balance) greater than is made available to other employees. A Participant may request a loan by contacting the Employer, or its designee. Loan requests, which must specify the amount and duration of the loan, shall be treated as an application and the loan shall be effective when processed. By negotiating the loan check, the borrower demonstrates his or her agreement with the terms and conditions of the loan as evidenced by the terms of the loan attached to the loan proceeds check. An alternate payee shall be considered a beneficiary for this purpose only after the domestic relations order has been finally determined to be qualified.
 - **Special One Time Rollover for participants in the Selbels, Bruce & Company Employees' Profit Sharing and Savings Plan.** In connection with the Universal Insurance Company acquisition, participants in the Selbels, Bruce & Company Employees' Profit Sharing and Savings Plan were given a one time opportunity to rollover their entire account balance, including loan(s) to the Plan. This loan rollover was limited to individuals who became employees of the Employer following the acquisition and who rolled over their entire account balance, including any loan(s) in the Selbels, Bruce & Company Employees' Profit Sharing and Savings Plan. It was further limited to the Employer's discretion based on representations from Universal Insurance Company as to the loans' compliance with applicable law.

- **Limitations On Loans** - The total amount of loans outstanding (including loans in default but not yet offset) to a borrower shall not exceed the lesser of (i) 50% of his or her vested account balance or (ii) \$50,000. The maximum dollar amount of loans outstanding to any borrower may not exceed \$50,000 when aggregated with all loans from all other qualified plans maintained by the Employer or an affiliate of the Employer, reduced by the excess (if any) of the borrower's highest outstanding loan balance during the 12 month period ending on the day before the new loan is made over the borrower's outstanding balance on all loans from the Plan and all other qualified plans maintained by the Employer or an affiliate of the Employer on the day the new loan is made. For purposes of the limitations set forth in the Loan Policy, the trustee may assume that participants are entitled to take loans only from this Plan. Loans will not be made in a principal amount less than \$1,000. Only 2 loans may be outstanding to a borrower at any time.

Evidence And Terms Of Loan - Every loan will be documented and secured in the form as prescribed by the Administrator and signed by the participant for the face amount of the loan, together with a commercially reasonable fixed rate of interest. The Employer will determine the appropriate interest rate by taking into account interest rates charged on similar loans under similar circumstances by lending institutions. A fixed rate of interest shall apply to the term of each loan. The Employer has determined that the interest rate for loans will be the current prime lending rate as published by Wells Fargo, plus [1] %, or such other rate as is prescribed by the Employer based on periodic re-evaluations of the adequacy of such rate. Notwithstanding the foregoing, interest on loans to service members taken prior to entering military service shall not exceed 6% per year during the period of military service if the service member provides written notice and a copy of the military orders calling the service member into military service to the loan administrator, all in accordance with section 207 of the Service Members Civil Relief Act. Changes in the prime rate will be implemented when it is administratively feasible to do so.

The loan must provide for periodic repayments under a level amortization schedule through payroll deduction, the frequency of repayments based on the Employer's payroll cycle. In no event may repayments be made less frequently than quarterly. To the extent that the available payroll amount is not sufficient to satisfy the payment obligation, the borrower shall make payment delivered to the Employer by the due date for payment. The Employer shall remit all loan repayments it receives to the trustee in the same form as payroll is remitted as soon as reasonably possible after each payroll date.

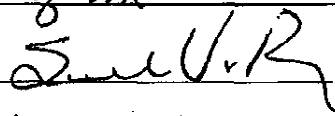
For all loans, prepayment of principal and interest shall be allowed only if the entire remaining outstanding loan balance is paid in full. The term of repayment of a loan other than a "home loan" must not be less than one year nor greater than five years. A "home loan" is a loan used to acquire a dwelling unit (including the construction of a dwelling unit by a third party, but not the purchase of land only) that will within a reasonable time be used by the borrower as a principal residence and does not include a loan to finance, mortgage payments, or refinancing an existing mortgage. The term of repayment of a home loan must not be greater than 20 years. The Participant must submit adequate documentation to demonstrate the loan will qualify as a home loan.

- **Suspension Of Payments During Leave Of Absence** - Loan payments may be suspended for a period of up to one year for Participants on a leave of absence approved by the Employer. The approved leave must be either without pay from the Employer or at a rate of pay that is less than the amount of the installment payments required under the terms of the loan. The Employer will notify the trustee promptly after approval of a leave of absence. The period of suspension permitted by this paragraph includes any period of time (even if longer than one year) during which the Participant is performing service in the uniformed services as provided by USERRA. Interest shall accrue at the stated rate during the leave period. Upon the Participant's return to active employment with the Employer or an affiliate of the Employer, the Participant shall resume making payments on the loan by payroll deduction. The remaining payments shall be adjusted so that the unpaid balance of the loan will be paid each payroll period in amounts sufficient to retire the entire loan indebtedness (principal and interest) by latest permissible term of the loan as defined in section 1-72(p)-1 of the Treasury Regulations, including any extensions allowed for military service leaves.

- **Collateral For Loan** - A borrower shall secure a loan with an irrevocable pledge and assignment of an amount equal to the amount of the loan up to 50% of the borrower's vested account balance under the Plan, determined as of the date the loan is granted. The Employer will not permit the borrower to secure a loan with any other collateral, including a mortgage.
- **Default** - The Employer will treat a loan as in default if any of the following events occur:
 1. A scheduled payment is missed.
 2. The Participant terminates employment with the Employer, including all affiliates. Any payment after termination of employment must be for the entire remaining outstanding balance of the loan.
 3. The Participant receives a distribution of the Participant's entire vested account balance (including any loans).
 4. The participant revokes his or her payroll deduction authorization for repayment of the Note without the consent of the Employer.
- **Cure Period** - Unless the Employer provides for a shorter amount of time, the cure period shall expire on the last day of the calendar quarter following the calendar quarter during which the event of default occurred. If the loan remains in default, the Employer has the option of foreclosing on any security it holds and making a distribution of the Note to the participant. Pending final disposition of the Note, the participant remains obligated for any unpaid principal, accrued interest and other costs of collection.
- **Acceleration And Offset** - Upon default and the expiration of the cure period (if applicable), the then outstanding principal balance and unpaid interest calculated to the date of default (and cure period, if applicable) shall be immediately due and payable. The loan shall also become due and payable upon termination of the plan. The vested accounts in the Plan provided as security for the loan shall be offset by the amount of such outstanding principal balance and unpaid interest accrued in accordance with the terms of the Plan. In the case of a Participant who is actively employed on the date of default, this offset shall not occur until the Participant separates from service with the Employer and all affiliates of the Employer unless the Plan either permits in-service distributions or treats the default as a distributable event where the loan is attributable to appropriate accounts of the borrower as described in the Plan. No notice shall be required prior to the offset. The Employer will treat the note as repaid to the extent of any permissible offset and report it as a taxable distribution to the Participant. If the Plan does not permit an immediate offset, the then outstanding principal balance and unpaid interest calculated to the date of default shall be treated as a deemed distribution and reported as taxable income.
- **Risk Of Loss** - To protect the Plan against risk of loss, the Employer will administer any loan as a Participant or Beneficiary-directed investment of that portion of the borrower's vested account balance equal to the outstanding principal balance of the loan. The Plan will credit such portion of the account balance with the principal and interest payments received from the borrower.

A reasonable origination and/or maintenance fee may be charged to establish a loan and such fee shall be paid from the borrower's account balance. The Plan will allocate expenses directly related to the establishment, maintenance and collection of the note to the borrower's account if not otherwise paid by the Employer.

Accounting For Loan - All repayments of principal and interest shall be reinvested in accordance with the borrower's investment election in effect at the time the repayment is received, and if the loan was taken from more than one account, repayments to the accounts shall be made on a pro rata basis. Investments in any self-directed brokerage accounts, if applicable, shall not be liquidated in order to fund a Participant's loan; instead, the other remaining investments and sources shall be liquidated in accordance to the hierarchies listed above without taking into account funds invested in the self-directed brokerage accounts. Funds invested in a self-directed brokerage account shall be taken into account, however, to determine the maximum amount of available for loans. If a participant requests a loan in an amount greater than he or she has available in the portion of his or her account that is not invested in a self-directed brokerage account, the participant must first transfer sufficient funds from the self-directed brokerage account to the other investment options before taking the loan.

EMPLOYER	
Name:	<u>SUOAN VAN REEN</u>
	<i>(Please print)</i>
Title:	<u>VP of HR</u>
	<i>(Please print)</i>
Signature:	<u></u>
Date:	<u>12-15-11</u>

ALTERNATE PROVISIONS

- The loan will be withdrawn from the participant's accounts in the following order:
 - Fund Name & Money Type (hierarchy):
 - Prorata among all sources and all funds.
- Loans for Hardship Reasons Only:
 - Loans will only be issued if the request relates to one of the eligible hardships under Code §401(k) and all applicable regulations. Participant must provide sufficient documentation to substantiate the hardship.
- Prepayments:
 - No partial prepayment will be accepted. The only prepayment available will be payment of the current outstanding balance including accrued but unpaid interest; or

Prepayment must be in an amount equal to (1) one or more of the next periodic payments or (2) the current outstanding balance including accrued but unpaid interest.

4. **Refinancing**

Participants will be allowed to refinance their loans.