

AMENDED AND RESTATED BYLAWS

OF

SHEBOYGAN FALLS MUTUAL INSURANCE COMPANY

(a Wisconsin corporation hereinafter referred to as the "Corporation")

ARTICLE 1

PRINCIPAL OFFICE

Section 1.1 Home Office. The principal place of business of the Corporation shall be located at 511 Water Street, Sheboygan Falls, Wisconsin 53085 (the "Home Office").

Section 1.2 Other Offices. The Corporation may also have offices at such other places as the Board of Directors may from time to time designate or the business of the Corporation may from time to time require.

ARTICLE 2

MEMBERS

Section 2.1 Members. Every policyholder of the Corporation is a member ("Member") of the Corporation while the policy is in force, and is entitled to one vote, and no more, regardless of the amount of insurance held by such policyholder, the number of policies of insurance in force in the name of such policyholder, the amount of premiums paid by such policyholder or the number of insureds listed on the declarations page of any such policy. Policyholder means the person or group of persons identified as the named insured on the declarations page of a policy of insurance issued by the Corporation. Membership begins on the effective date of said policy and continues until the earlier of the expiration date, cancellation date or lapse date of the policy. In the case of a group policy, the Member shall be the holder of the master policy and the holder of any certificate or contract issued subordinate to such master policy shall not be a Member unless the policy makes specific provision for such Membership. In the event the policy names more than one insured, it

shall be presumed that the first named insured is entitled to vote on behalf of all the named insureds unless the Corporation is otherwise notified in writing.

Section 2.2 Rights of Members. Each Member shall have such rights and privileges as a Member as are prescribed by law for members of mutual fire and casualty insurance companies organized under the laws of the State of Wisconsin, the Restated Articles of Incorporation of the Corporation as the same may be in effect from time to time, these Bylaws as the same may be in effect from time to time and any policy of insurance issued by the Corporation and held by the Member.

Section 2.3 Limit of Members' Liability. The insurance policies issued by the Corporation shall be non-assessable, and Members shall have no contingent liability with respect thereto. Members shall not be liable for losses, expenses or any indebtedness of the Corporation.

ARTICLE 3

MEETINGS OF MEMBERS

Section 3.1 Annual Meetings of Members. The regular annual meeting of the Members shall be held at the Home Office of the Corporation in Sheboygan Falls, Wisconsin, at 2:00 p.m., on the first Monday in February of each year. The Board of Directors may designate by resolution some other place in the same county as the Home Office of the Corporation as the place for holding any annual or special meeting of the Members if notice is mailed to the Members at least 20 days prior to any such meeting informing the Members of the place, date and hour of the meeting. No notice of annual or adjourned annual meetings of the Members shall be required to be given, except as otherwise provided above, in Section 3.4 or by law, but such notice may be given if deemed advisable by the Board of Directors of the Corporation. At each such annual meeting, subject to compliance with Section 3.2 of these By-laws, the Members shall elect successors to the Directors whose terms shall expire that year to serve for the following three years and until their successors shall have been duly elected and qualified or until their earlier resignation, removal or death. The Members shall also transact such other business as shall be properly brought before any such annual meeting.

Section 3.2 Nomination and Election of Directors.

(a) For as long as Donegal Mutual Insurance Company ("Donegal Mutual") shall be the owner of a Contribution Note issued by the Corporation, the number of members of the Board of Directors of the Corporation shall be fixed at ten and shall consist, as of the date of adoption of these By-laws, of three directors whose term of office will expire in 2008 and who shall be known as Class A directors, three directors whose term of office will expire

in 2009 and who shall be known as Class B directors and four directors whose term of office will expire in 2010 and who shall be known as Class C directors.

(b) Nominations for membership on the Board of Directors shall not be considered at any meeting of the Members unless such nomination has either been made by the Board of Directors or such nomination has been presented in writing, signed by the Member or Members proposing the same and filed with the Nominating Committee of the Board of Directors of the Corporation at least 90 days prior to the date of the meeting at which said nominations are to be voted upon. From the nominations so made, and no others, Members of the Board of Directors shall be elected.

(c) For as long as Donegal Mutual shall be the owner of a Contribution Note issued by the Corporation, Donegal Mutual shall have the right to nominate one Class A director, three Class B directors and two Class C directors. Not later than 90 days before the date of each annual meeting of Members, Donegal Mutual shall notify the Corporation of the names of the persons Donegal Mutual designates for nomination for election by the Members at such annual meeting and the Board of Directors of the Corporation shall consider the nomination of such persons for such election. The vote of a majority of the directors then in office shall be required to approve such nominations.

(d) For a period of not less than five years from the date of adoption of these By-laws, the remaining four members of the Board of Directors of the Corporation shall consist of four residents of the Greater Sheboygan Falls, Wisconsin metropolitan area. Not later than 90 days before the date of each annual meeting of Members, the four residents of the Greater Sheboygan Falls, Wisconsin metropolitan area then serving on the Board of Directors of the Corporation shall by majority vote designate the successor or successors, who may include directors of the Corporation then in office, to each resident of the Greater Sheboygan Falls, Wisconsin metropolitan area whose term of office is expiring at such annual meeting and shall notify the Corporation of such designee or designees. The Board of Directors of the Corporation shall consider the nomination of such persons for such election. The vote of a majority of the directors of the Corporation then in office shall be required to approve such nominations.

(e) This Section 3.2 shall not be amended unless such amendment is approved by (i) a majority vote of the four directors who are residents of the Greater Sheboygan Falls, Wisconsin metropolitan area and (ii) by a majority vote of all of the directors then in office.

Section 3.3 Special Meetings of Members. Special meetings of the Members shall be called by the Chief Executive Officer upon written request of a majority of the Members of the Board of Directors or upon the written request of one fifth of the Members entitled to vote thereat. In each instance, such request for a special meeting must specify the purpose for which the meeting is to be called. Upon receipt of any such request, it shall be the duty of the

Secretary of the Corporation to call a special meeting of Members to be held on such date, within the 60 succeeding days, as the Secretary shall fix. Not less than 10 nor more than 60 days' written notice of all special meetings shall be given to each Member at the last known address of such Member, and the business to be transacted at such special meeting shall be limited to the purposes set forth in such notice.

Section 3.4 Notice of Meetings. The period of notice for a meeting is established in Sections 3.1 and 3.3 of these Bylaws. For purposes of providing notice to Members of annual meetings, each policy or policy jacket forwarded by the Corporation to a Member with a new insurance policy issued by the Corporation shall provide notice that the regular annual meeting of the Members shall be held at the Home Office of the Corporation in Sheboygan Falls, Wisconsin, at 2:00 p.m., on the first Monday in February of each year. Unless otherwise provided by statute, the Restated Articles of Incorporation, as in effect from time to time, or these Bylaws, as in effect from time to time, notices of special meetings of the Members shall be in writing and shall be deemed to have been given by depositing the same in a United States Post Office mailbox in a postpaid wrapper, addressed to the Members at their addresses as the same appears on the books of the Corporation; and such notice shall be regarded as having been given on the day of such deposit. Notice of adjourned meetings need only be given if required by law or Sections 3.1 and 3.7 of these Bylaws.

Section 3.5 Record Date. The Board of Directors may fix, in advance, a date as the record date for any determination of Members for any purpose, such date in every case to be not more than 60 days prior to the date on which the particular action or meeting, requiring such determination of Members is to be taken or held. When a determination of Members entitled to vote at any meeting of Members has been made as provided in this section, such determination shall apply to any adjournment thereof, unless the Board of Directors selects a new record date or unless a new record date is required by law.

Section 3.6 Waiver of Notice.

(a) A written waiver of notice of any meeting of the Members signed by any Member entitled to such notice, whether before or after the time stated in such notice for the holding of such meeting, shall be equivalent to the giving of such notice to such Member in due time as required by law and these Bylaws. The written waiver must be delivered to the Corporation for inclusion in the minutes or filed with the corporate records.

(b) A Member's attendance at any meeting of Members, in person or by proxy: (i) waives giving of notice of such meeting and irregularities in any notice given unless the Member at the beginning of the meeting objects to holding the meeting or transacting business at the meeting and (ii) waives objection to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice unless the Member objects to consideration of the matter when it is presented.

Section 3.7 Quorum.

(a) At any meeting of the Members, unless a greater number is required by the Corporation's Restated Articles of Incorporation as then in effect, the presence in person or by proxy of 25 Members entitled to vote on the matter to be considered shall constitute a quorum for the purpose of considering such matter, unless the representation of a different number is required by law, and, in that case, the representation of the number so required shall constitute a quorum. If a quorum shall fail to attend any meeting, the chairman of the meeting, or a majority of the votes present, may adjourn the meeting to another place, date and time. The affirmative vote of a majority of the Members present, in person or by proxy, and voting, shall be sufficient to carry any proposition except as may be otherwise provided by statute, the Corporation's Restated Articles of Incorporation, as in effect from time to time, or these Bylaws, as in effect from time to time.

(b) When a meeting is adjourned to another place, date or time, notice need not be given of the adjourned meeting if the place, date and time thereof are announced at the meeting at which the adjournment is taken; provided, however, that if the date of any adjourned meeting is more than 120 days after the date for which the meeting was originally noticed, or if a new record date is fixed for the adjourned meeting, notice of the place, date and time of the adjourned meeting shall be given in conformity herewith. At any adjourned meeting, any business may be transacted that might have been transacted at the original meeting.

Section 3.8 Organization.

(a) The Chairman of the Board or such person as the Board of Directors may have designated or such person as shall be designated by a majority of the Members present at the meeting shall call meetings of the Members to order and shall act as chairman of such meetings.

(b) The Secretary of the Corporation shall act as secretary at all meetings of the Members, but in the absence of the Secretary at any meeting of the Members, the presiding officer may appoint any person to act as secretary of the meeting.

Section 3.9 Voting By Members.

(a) Each Member shall be entitled to one vote on each matter submitted to a vote at a meeting of Members, except that there shall be no right to vote cumulatively in any election of Directors. Directors shall be elected by the affirmative vote of a plurality of the votes cast at the meeting.

(b) The Members having the right to vote at any meeting shall only be those of record on the books of the Corporation on the record date fixed pursuant to the provisions of Section 3.5 of these Bylaws or by law.

(c) Voting by Members on any question or in any election may be viva voce unless the chairman of the meeting shall order voting be by ballot. On a vote by ballot, each ballot shall be signed by the Member voting or in the Member's name by proxy.

Section 3.10 Voting by Proxy.

(a) At all meetings of the Members, a Member entitled to vote may vote in person or by proxy appointed in writing, and filed in accordance with the procedure established herein. Proxies shall be invalid unless made in writing subscribed by a Member, executed within 120 days prior to the meeting for which given, and limited to 30 days subsequent to the date of such meeting as the same may be adjourned. Proxies shall be filed with the Secretary of the Corporation at least 15 days prior to the meeting at which they are to be used and unless so filed shall be void, and the attorney or proxy therein shall not be entitled to vote or otherwise represent the Member at the meeting. A proxy may also be authorized in a policy of insurance issued by the Corporation or in an application for insurance upon the Corporation's issuance of an insurance policy pursuant to such application.

(b) Policies held by an administrator, executor, guardian, conservator, receiver, trustee, pledgee or another corporation may be voted as provided by law.

(c) Proxies, unless coupled with an interest, may be revoked at any time by the Member executing the same, but the revocation of a proxy shall not be effective until written notice thereof has been given to the Secretary of the Corporation.

(d) Where a proxy names more than one attorney, affirmative action of a majority of those named shall be necessary to vote said proxy.

Section 3.11 Conduct of Business. The chairman of any meeting of Members shall determine the order of business and procedure at the meeting, including such regulation of the manner of voting and the conduct of business as seems to such chairman to be in order.

Section 3.12 Judges of Election.

(a) In advance of any meeting of the Members, the Board of Directors may appoint judges of election, who need not be Members, to act at such meeting or any adjournment thereof. If judges of election are not so appointed, the chairman of any such meeting may, and, on the request of any Member or proxy, shall, make such appointment at the meeting. The number of judges of election shall be one or three. If appointed at the meeting at the request of a Member or proxy, the majority of Members present shall determine whether one or three judges of election are to be appointed. No person who is a candidate for election shall serve as a judge of elections.

(b) The judges of election shall do all such acts as may be proper to conduct the election or vote and such other duties as may be prescribed by law with fairness to all Members and, if requested by the chairman of the meeting or any Member or proxy, shall make a written report of any matter determined by the Members and execute a certificate as to any fact found by them. If there are three judges of election, the decision, act or certificate of a majority shall be the decision, act or certificate of all.

ARTICLE 4

BOARD OF DIRECTORS

Section 4.1 General Powers. The Board of Directors shall have all the power and authority granted by law, including all powers necessary or appropriate to the management of the business and affairs of the Corporation.

Section 4.2 Number and Term of Directors; Classes.

(a) *Number.* The number of directors that shall constitute the whole Board of Directors shall be ten, each of whom shall be a Member of the Corporation.

(b) *Classes.* The directors shall be divided into three classes: Class A, Class B and Class C. At each annual meeting of Members, the successors to the directors of the class whose term shall expire in that year shall be elected for a term of three years so that the term of one class of directors shall expire in each year. The number of directors in each class shall be as nearly equal as possible so that, except for temporary vacancies, the number in any class shall not exceed the number in any other class by more than one.

(c) Directors heretofore elected shall continue to hold office until their successors are elected and qualified.

Section 4.3 Vacancies. Vacancies on the Board of Directors, including vacancies resulting from an increase in the number of directors or resulting from a death, resignation, retirement, removal from office or other cause, shall be filled by a majority vote of the remaining Members of the Board of directors, though less than a quorum, and not by the Members, or by the sole remaining director, as the case may be, irrespective of whether the Members are entitled to elect one or more directors to fill such vacancies or newly created directorship at the next annual meeting of Members. Each person so appointed as a director shall serve as a director until his successor is elected by the Members at the annual meeting of Members at which the class of directors to which such person belongs is up for election.

Section 4.4 Quorum and Manner of Acting. At all meetings of the Board of Directors, the presence, in person or by telephonic or similar communications equipment, of

not less than a majority of the Members of the Board of Directors shall be required to constitute a quorum for the transaction of business, and the acts of a majority of the Members of the Board of Directors present at a duly convened meeting at which a quorum is present shall be the acts of the Board of Directors, except as may be otherwise specifically provided by law, by the Corporation's Restated Articles of Incorporation, as in effect from time to time, or by these Bylaws, as in effect from time to time. If a quorum shall not be present, in person or by telephonic or similar communications equipment, at any meeting of the Board of Directors, the Directors present may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be so present.

Section 4.5 Compensation of Directors. Directors may be compensated and reimbursed for their expenses of attendance at regular or special meetings as authorized by the Board of Directors; provided, that no Director shall be so compensated or reimbursed for attendance at more than one regular or special meeting of the Board of Directors of the Corporation or any affiliated company on a single day.

Section 4.6 Place of Meetings, Etc. The Board of Directors may hold its meetings at such place or places within or without the State of Wisconsin, as the Board of Directors may from time to time determine. A Director may participate in any meeting by any means of communication, including, but not limited to, telephone conference call, by which all Directors participating may simultaneously hear each other during the meeting and such participation shall be deemed to be the presence of such Director at such meeting.

Section 4.7 Organization Meeting. Immediately after the adjournment of each annual meeting of the Members for the election of Directors, the Board of Directors shall meet for the purpose of organization, the election of officers and the transaction of other business. Notice of such meeting need not be given. Such meeting may be held at any other time or place as shall be specified in a notice given as hereinafter provided for meetings of the Board of Directors or in a consent and waiver of notice thereof signed by all the Directors, at which meeting or in such consent the same matters shall be acted upon as is above provided.

Section 4.8 Regular Meetings. Regular meetings of the Board of Directors shall be held at such place and at such times as the Board of Directors shall by resolution fix and determine from time to time. The Board of Directors shall hold at least four regularly scheduled quarterly meetings during each calendar year. Notice of regular meetings of the Board of Directors shall be given to each Director at least three days before each meeting, either personally or by telephone or facsimile.

Section 4.9 Special Meetings. Special meetings of the Board of Directors may be called by a majority of the Members of the Board of Directors of the Corporation on one day's notice to each Director, either personally or by telephone or facsimile.

Section 4.10 Action Without A Meeting. Except as otherwise restricted by Section 4.12 of these By-laws, any action required or permitted by law to be taken at any meeting of the Board of Directors may be taken without a meeting if, prior or subsequent to the action, a written consent or consents thereto signed by all of the Directors shall be filed with the Secretary of the Corporation. Any action by written consent of the Board of Directors shall be limited to those situations in which time is of the essence and not in lieu of a regularly scheduled meeting.

Section 4.11 Committees.

(a) *Committees.* The Board of Directors, by vote of a majority of the whole Board of Directors, may from time to time designate committees of the Board of Directors as specifically provided for herein and such other committees as the Board of Directors may, in its discretion, determine from time to time, with such lawfully delegable powers and duties as the Board of Directors thereby confers, to serve at the pleasure of the Board of Directors and shall, for each such committee, appoint no fewer than three Directors to serve as Members and designate, if it desires, one or more Directors as alternate Members who may replace any absent or disqualified Member at any meeting of a committee. The Board of Directors may, from time to time, suspend, alter, continue or terminate any committee or the powers and functions thereof. Vacancies on the committees may be filled by the Board of Directors.

(b) *Executive Committee.* The Executive Committee shall have the power to exercise the authority of the full Board of Directors in the management of all business of the Corporation between meetings of the Board of Directors to the extent permitted by Wisconsin law unless restricted by Section 4.12 of these By-laws. It shall report to the Board of Directors actions taken in the exercise of such power.

(c) *Audit Committee.* The Audit Committee shall recommend the selection of independent certified public auditors and review the scope and results of the independent audit and the management recommendations made by the independent auditor.

(d) *Nominating Committee.* The Nominating Committee shall nominate persons for election as Directors by the Members of the Corporation and shall review and report on the qualifications of candidates otherwise nominated for Director.

(e) *Compensation Committee.* The Compensation Committee shall evaluate the performance of officers of the Corporation and recommend to the Board of Directors compensation of the executive officers.

Section 4.12 Vote Required to Approve Transactions with Donegal Mutual.

Whenever any new contract or transaction between the Corporation and Donegal Mutual is proposed, any change is proposed in any existing contract or transaction between the

Corporation and Donegal Mutual, any amendment to this Section 4.12 is proposed or any other matter arises that presents an actual or potential conflict of interest between the Corporation and Donegal Mutual, such new contract or transaction, change in an existing contract or transaction, proposed amendment to this Section 4.12 or other matter shall (i) first be submitted to the four members of the Corporation's Board of Directors who are residents of the Greater Sheboygan Falls, Wisconsin metropolitan area and (ii) only if a majority of such four directors approves the new contract or transaction, change in an existing contract or transaction, amendment to this Section 4.12 or other matter shall the new contract or transaction, change in contract or transaction, proposed amendment to this Section 4.12 or other matter be submitted to the full Board of Directors of the Corporation for consideration.

Section 4.13 Liability of Directors. No director shall be liable to the Corporation, its Members or creditors, or any person asserting rights on behalf of the Corporation, its Members or creditors, or any other person, for damages, settlements, fees, fines, penalties or other monetary liabilities arising from a breach of, or failure to perform, any duty resulting solely from his/her status as a director, unless (1) the person asserting liability proves that the breach or failure to perform constitutes (a) a willful failure to deal fairly with the Corporation or its Members in connection with a matter in which the director has a material conflict of interest, (b) a violation of criminal law, unless the director had reasonable cause to believe his/her conduct was lawful or no reasonable cause to believe his/her conduct was unlawful, (c) a transaction from which the director derived an improper personal profit or (d) willful misconduct; or (2) the liability arises from (a) a civil or criminal proceeding brought by or on behalf of a governmental unit, authority or agency, other than in its capacity as a private party or contractor or (b) a proceeding brought by any person for a violation of state or federal law where the proceeding is brought pursuant to an express private right of action created by state or federal statute.

Section 4.14 Pertinent Factors. In discharging the duties of their respective positions, the Board of Directors, committees of the Board of Directors and individual Directors may, in considering the best interests of the Corporation, consider the effects of any action upon potential growth and development of the Corporation, current and retired employees, creditors and policyholders of the Corporation and communities in which offices or other establishments of the Corporation are located, and all other pertinent factors. The consideration of these factors shall not constitute a violation of Section 4.13 of these Bylaws.

Section 4.15 Presumption of Best Interests. Absent breach of fiduciary duty, lack of good faith or self dealing, actions taken as a Director or any failure to take any action shall be presumed to be in the best interests of the Corporation.

Section 4.16 Amendment. Notwithstanding any other provision of these Bylaws, if any action to amend, repeal or adopt any provision as part of these Bylaws shall be taken that is inconsistent with the purpose or intent of Sections 4.13, 4.14, 4.15 or 4.16 of this Article 4, such action shall become effective only on a prospective basis.

ARTICLE 5

OFFICERS

Section 5.1 Election and Office. The officers of the Corporation shall be elected annually by the Board of Directors at its organization meeting and shall consist of a Chief Executive Officer, a President, a Secretary and a Treasurer. The Board of Directors may also elect one or more Vice Presidents and such other officers and appoint such agents as it shall deem necessary. All officers of the Corporation shall be natural persons not less than 18 years old. Each officer of the Corporation shall hold office for such term, have such authority and perform such duties as set forth in these Bylaws or as may from time to time be prescribed by the Board of Directors. The offices of Chief Executive Officer, Secretary and Treasurer must be held by different persons.

Section 5.2 Removal and Vacancies. Each officer shall hold his office until his successor is elected and qualified or until his earlier resignation or removal. The Board of Directors may remove any officer or agent elected or appointed by the Board of Directors at any time and within the period, if any, for which such person was elected or employed whenever in the judgment of the Board of Directors it is in the best interests of the Corporation, and all persons shall be elected and employed subject to the provisions hereof. If the office of any officer becomes vacant for any reason, the vacancy shall be filled by the Board of Directors, though less than a quorum, or by a sole remaining Director, and each person so selected shall be an officer to serve for the balance of the unexpired term.

Section 5.3 Powers and Duties of the Chief Executive Officer. Unless otherwise determined by the Board of Directors, the Chief Executive Officer shall have the usual duties of a chief executive officer with general supervision over and direction of the policies and affairs of the Corporation. In the exercise of such duties and subject to the limitations of the laws of the State of Wisconsin, the Restated Articles of Incorporation, these By-laws and the actions of the Board of Directors, the Chief Executive Officer may appoint, suspend and discharge employees, agents and officers, may fix the compensation of all officers and assistant officers, shall preside at all meetings of the shareholders at which the Chief Executive Officer shall be present, shall be a member of all committees and, unless there is a Chairman of the Board appointed as provided in Article 3 of these By-laws, shall preside at all meetings of the Board of Directors. The Chief Executive Officer shall also do and perform such other duties as from time to time may be assigned to him by the Board of Directors.

Unless otherwise determined by the Board of Directors, the Chief Executive Officer shall have full power and authority on behalf of the Corporation to attend and to act and to vote at any meeting of the shareholders of any corporation in which the Corporation may hold stock, and, at any such meeting, shall possess and may exercise any and all of the rights

and powers incident to the ownership of such stock and which, as the owner thereof, the Corporation might have possessed and exercised.

Section 5.4 Powers and Duties of the President. Unless otherwise determined by the Board of Directors or the Chief Executive Officer, the President shall have the usual duties of a chief operating officer with general supervision of the normal day to day operations of the Corporation and the implementation of the policies of the Corporation as established from time to time by the Board of Directors. He shall also do and perform such other duties as from time to time may be assigned to him by the Board of Directors of the Corporation.

Section 5.5 Powers and Duties of Vice Presidents. Each Vice President shall have such duties as may be assigned to him from time to time by the Board of Directors, the Chief Executive Officer or the President. Any Vice President may, in the discretion of the Board of Directors, be designated as "executive", "senior" or by departmental or functional classification. In the event of a temporary absence of the President on vacation or business, the President may designate a Vice President or Vice Presidents who will perform the duties of the President in such absence. In the event of a prolonged absence of the President due to illness or disability or for any other reason, the Board of Directors shall designate a Vice President or Vice Presidents who will perform the duties of the President during such absence.

Section 5.6 Powers and Duties of the Secretary. The Secretary of the Corporation shall attend all meetings of the Board of Directors and of the Members and shall keep accurate records thereof in one or more minute books kept for that purpose, shall give, or cause to be given, the required notice of all meetings of the Members and of the Board of Directors, shall keep in safe custody the seal of the Corporation and affix the same to any instrument requiring it, and when so affixed, it shall be attested by his signature or by the signature of the Treasurer or any Assistant Secretary or Assistant Treasurer of the Corporation, and shall perform such other duties as may be assigned to him by the Board of Directors.

Section 5.7 Powers and Duties of the Treasurer. The Treasurer of the Corporation shall have the custody of the Corporation's funds and securities, shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation, shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation in such depositories as shall be designated by the Chief Executive Officer or the President, shall disburse the funds of the Corporation as may be ordered by the President, the Chief Executive Officer or the Board of Directors, taking proper vouchers for such disbursements, shall render to the Board of Directors, at the regular meetings of the Board of Directors or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the Corporation and shall have the right to affix the seal of the Corporation to any instrument requiring it, and to attest to the same by his signature and, if

so required by the Board of Directors, he shall give bond in such sum and with such surety as the Board of Directors may from time to time direct.

Section 5.8 Designation of a Chief Financial Officer. The Board of Directors shall have the power to designate from among any Vice President or the Treasurer of the Corporation a Chief Financial Officer who shall be deemed the principal financial and accounting officer and who shall have the ultimate responsibility to oversee the financial operation and performance of the Corporation. In the event that the Treasurer is not designated by the Board of Directors as the Chief Financial Officer, the Treasurer shall report to the Chief Financial Officer from time to time concerning all duties that the Treasurer is obligated to perform and the Chief Financial Officer shall, subject to the reasonable direction of the Board of Directors, at his election, assume such of the duties of the Treasurer as are provided in Section 5.7 of these Bylaws as he shall deem appropriate.

Section 5.9 Liability of Officers. No officer shall be liable to the Corporation, its Members or creditors, or any person asserting rights on behalf of the Corporation, its Members or creditors, or any other person, for damages, settlements, fees, fines, penalties or other monetary liabilities arising from a breach of, or failure to perform, any duty resulting solely from his/her status as a officer, unless (1) the person asserting liability proves that the breach or failure to perform constitutes (a) a willful failure to deal fairly with the Corporation or its Members in connection with a matter in which the officer has a material conflict of interest, (b) a violation of criminal law, unless the officer had reasonable cause to believe his/her conduct was lawful or no reasonable cause to believe his/her conduct was unlawful, (c) a transaction from which the officer derived an improper personal profit, or (d) willful misconduct; or (2) the liability arises from (a) a civil or criminal proceeding brought by or on behalf of a governmental unit, authority or agency, other than in its capacity as a private party or contractor, or (b) a proceeding brought by any person for a violation of state or federal law where the proceeding is brought pursuant to an express private right of action created by state or federal statute.

ARTICLE 6

INDEMNIFICATION

Section 6.1 Mandatory Indemnification. Subject to the requirement to provide advance notice to the Wisconsin Commissioner of Insurance pursuant to Section 611.62 (2) of the Wisconsin Statutes and any other notice or approval requirement under applicable law, the Corporation shall, to the fullest extent permitted or required by the Statute, indemnify each Director and Officer against any and all Liabilities, and advance any and all reasonable Expenses as incurred by a Director or Officer, arising out of or in connection with any Proceeding to which such Director or Officer is a Party because he or she is a Director or

Officer of the Corporation. The rights to indemnification granted hereunder shall not be deemed exclusive of any other rights to indemnification against Liabilities or the advancement of Expenses to which such person may be entitled under any written agreement, board resolution, vote of Members, the Statute or otherwise. The Corporation may, but shall not be required to, supplement the right to indemnification against Liability and advancement of Expenses under this Section 6.1 by the purchase of insurance on behalf of any one or more of such persons, whether or not the Corporation would be obligated to indemnify such person under this Section 6.1. The term "Statute," as used in this Article, shall mean Sections 181.0871 through 181.0883 of the Wisconsin Nonstock Corporation Law and all amendments thereto which permit or require the Corporation to provide broader indemnification rights than prior to the amendment. All other capitalized terms used in this Article and not otherwise defined herein shall have the meaning set forth in Section 181.0871 of the Statute.

ARTICLE 7

MISCELLANEOUS PROVISIONS

Section 7.1 Facsimile Signatures. Facsimile signatures of any officer or officers of the Corporation may be used whenever and as authorized by the Board of Directors or a committee thereof.

Section 7.2 Corporate Seal. The Board of Directors shall provide for a corporate seal which shall be circular in form and shall bear the name of the Corporation and the words "Corporate Seal" and "Wisconsin". The Secretary shall be custodian of any such seal. The Board of Directors may also authorize a duplicate seal to be kept and used by any other officer.

Section 7.3 Fiscal Year. The fiscal year of the Corporation shall be at the close of business on the last day of December each year or such other date as may be adopted by resolution of the Board of Directors.

ARTICLE 8

CHECKS AND NOTES

All checks or demands for money and notes of the Corporation shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

ARTICLE 9

AMENDMENTS

Section 9.1 Amendment by Members. These Bylaws may be amended or repealed and new Bylaws adopted by the affirmative vote of a majority of the Members present at any annual meeting or special meeting thereof.

Section 9.2 Amendment by the Board of Directors. These Bylaws may be amended or repealed and new Bylaws adopted by the affirmative vote of a majority of the Members of the Board of Directors at any regular or special meeting thereof duly convened, subject to the power of the Members to change such action of the Board of Directors. Following the initial approval of these Bylaws by the Members, the Board of Directors shall not amend or repeal any Bylaw or adopt a new Bylaw if such action would have the effect of directly making ineffective any Bylaw amended or repealed or any new Bylaws adopted by the affirmative vote of a majority of the Members pursuant to Section 9.1 of these Bylaws.

ARTICLE 10

INTERPRETATION OF BYLAWS

All words, terms and provisions of these Bylaws shall be interpreted and defined by and in accordance with the Wisconsin Statutes and Annotations and the regulations of the Wisconsin Department of Insurance, as the same may be amended from time to time hereafter, and any other applicable Wisconsin laws, as the same may be amended from time to time hereafter.

April __, 2007