

**FIRST AMENDMENT TO AGREEMENT AND PLAN OF MERGER
BETWEEN TRADE LAKE MUTUAL INSURANCE COMPANY AND
RIVER FALLS MUTUAL INSURANCE COMPANY**

THIS FIRST AMENDMENT TO AGREEMENT AND PLAN OF MERGER (this “**Amendment**”) is dated as of the 6th day of December, 2023 (the “**Effective Date**”), by and among Trade Lake Mutual Insurance Company, a Wisconsin town mutual insurance company (“**Trade Lake**”), and River Falls Mutual Insurance Company, a Wisconsin town mutual insurance company (“**River Falls**”, together with Trade Lake, collectively, “**Constituent Corporations**”). All capitalized terms used herein without definition shall have the meanings ascribed to such terms in the Merger Agreement (as defined below).

RECITALS

WHEREAS, the Constituent Corporations are parties to that certain Agreement and Plan of Merger, dated May 5, 2023, by and between Trade Lake and River Falls attached hereto as **Exhibit A** (the “**Merger Agreement**”); and

WHEREAS, Section 16(d) of the Merger Agreement provides that the Merger Agreement may be amended pursuant to an instrument in writing executed and delivered on behalf of each of the Constituent Corporations.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Constituent Corporations hereby promise and agree as follows:

1. Amendments to the Merger Agreement. As of the Effective Date, the Merger is hereby amended as follows:

- a. Section 14 of the Merger Agreement shall be amended and restated in its entirety to read as follows:

“**14. Merger Effective Time.** The effective time of the Merger shall be 11:59 p.m. on the Effective Date.”

- b. Section 15 of the Merger Agreement shall be amended and restated in its entirety to read as follows:

“**15. Merger Effective Date.** The effective date of the Merger shall be December 31, 2023.”

2. No Other Changes. Except as expressly provided in this Amendment, all of the provisions of the Merger Agreement shall remain in full force and effect, and this Amendment shall not be deemed to waive, amend or modify any other provisions of the Merger Agreement. All references to the Merger Agreement shall be deemed to refer to the Merger Agreement as amended hereby. This Amendment shall be binding upon and inure to the benefit of the permitted successors and assigns of the parties.

3. Counterparts. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which taken together, shall constitute one and the same instrument. This Amendment may be executed in facsimile copy, portable document format (.pdf) or other electronic transmission (including, without limitation, DocuSign or other similar means) with the same binding effect as the original.

4. Severability. In the event that any one or more of the provisions of this Amendment shall be or become invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not be affected thereby.

5. Governing Law. This Amendment shall be governed by and construed in accordance with the internal laws of the State of Wisconsin.

6. Role of G&K. The parties acknowledge that Godfrey & Kahn, S.C. (“**G&K**”) has served as counsel to River Valley Mutual Insurance Company, a Wisconsin town mutual insurance corporation (“**River Valley**”), in negotiating and other work related to that certain Agreement and Plan of Conversion, dated November 2, 2023, by and among River Valley, River Falls and the other parties thereto. G&K assisted in the preparation of this Amendment at the request of River Valley and at the request of the parties hereto. G&K has not represented any of the parties to this Amendment, with respect to this Amendment, the transactions contemplated herein, or otherwise.

[Signatures Follow]

IN WITNESS WHEREOF, the undersigned duly authorized representatives of each party have executed this Amendment as of the date first above written.

TRADE LAKE MUTUAL INSURANCE COMPANY

By: Wayne R. Gustafson
Wayne Gustafson, Chairman of the Board

Attest: [Redacted]
Deanne Mullner
Deanne Mullner, Secretary

RIVER FALLS MUTUAL INSURANCE COMPANY

By: Richard J. Ruennele
Richard Ruennele, Chairman of the Board

Attest: George Matzek
George Matzek, Secretary/Treasurer

EXHIBIT A
MERGER AGREEMENT

See attached.

**AGREEMENT AND PLAN OF MERGER BETWEEN
TRADE LAKE MUTUAL INSURANCE COMPANY AND
RIVER FALLS MUTUAL INSURANCE COMPANY**

This agreement and plan of merger ("Agreement") is made and entered into by and between TRADE LAKE MUTUAL INSURANCE COMPANY ("Trade Lake"), a Wisconsin insurance corporation with its place of business in Frederic, Burnett, County, Wisconsin, and RIVER FALLS MUTUAL INSURANCE COMPANY ("River Falls"), a Wisconsin insurance corporation with its place of business in River Falls, Pierce County, Wisconsin (together referred to herein as the "Constituent Corporations").

RECITALS

- A. River Falls and Trade Lake are town mutual insurance companies organized and existing under Wis. Stat. Ch. 612.
- B. River Falls is authorized to operate its insurance business in the Wisconsin counties of Barron, Chippewa, Clark, Dunn, Eau Claire, Polk, Pierce, Pepin, St Croix, and Taylor. Trade Lake is authorized to operate its insurance business in the Wisconsin counties of Douglas, Burnett, Washburn, Sawyer, Polk, Barron, St Croix, and Dunn.
- C. The Boards of Directors of Trade Lake and River Falls, at duly convened meetings, each adopted a resolution approving the Merger (as hereinafter defined) and this Agreement, copies of which were submitted to each Board of Directors for consideration, and each Board of Directors having determined that it is in the best interest of its corporation's members that Trade Lake and River Falls merge pursuant to the provisions set forth in sec. 612.21 Stats., and in a manner approved by the Commissioner of Insurance for the State of Wisconsin ("Commissioner"); and
- D. The Parties desire to proceed with the Merger and to jointly submit this Agreement to the OCI for the OCI's approval and, unless otherwise directed by the OCI, to submit the issue to the members of Trade Lake and River Falls for their approval.

NOW, THEREFORE, in consideration of the premises and the respective representations, warranties, covenants, and agreements set forth herein, Trade Lake and River Falls hereby agree as follows:

1. **Merger.** In accordance with the provisions of this Agreement and applicable Wisconsin law, on the Effective Date (as defined herein) Trade Lake shall merge with and into River Falls (the "Merger") and the separate existence of Trade Lake shall thereupon cease.
2. **Surviving Corporation; Name, Principal Office.** The surviving corporation shall be River Falls Mutual Insurance Company, (at times herein referred to as the "Surviving Corporation" or "River Falls"). River Falls shall have its principal place of business in River Falls, Wisconsin. The Surviving Corporation shall continue to transact such business as is now authorized by the Commissioner for each of the Constituent Corporations or as may hereafter be authorized for the Surviving Corporation.
3. **Effect of Merger.**
 - a. On the Effective Date of the Merger, title to all property owned by the Constituent Corporations shall be vested in the Surviving Corporation without reversion or impairment. All of the assets, rights, privileges, immunities, and franchises, whether of public or private nature, interests, properties, and business of Trade Lake, of every character and description, including all policies of insurance, all debts due on whatever account, premiums and assessments payable from

policyholders, all chose in action and all and every other interest of, or belonging to or due to Trade Lake, shall accrue to, be merged into and become the absolute property of the Surviving Corporation.

- b. The officers of Trade Lake shall, as of the Effective Date of the Merger, execute and deliver any deeds, titles, bills of sale or other instruments in writing as may otherwise be necessary to transfer, assign and convey to the Surviving Corporation all of Trade Lake's assets, rights, interests, and properties, including contracts of insurance, reinsurance agreements and agency contracts.
 - c. On the Effective Date of the Merger, the members and policyholders of Trade Lake shall automatically become members and policyholders of the Surviving Corporation. All premiums and assessments paid by the members of Trade Lake shall be deemed to have been paid to the Surviving Corporation for the purpose of determining the value of each member's equitable share of the value of the Surviving Corporation.
 - d. On the Effective Date of the Merger, the Surviving Corporation shall assume all liabilities and obligations of each of the Constituent Corporations, including all policies of insurance. The Surviving Corporation shall thenceforth be responsible and liable for all of the liabilities and obligations of each of the Constituent Corporations hereto; and any claim existing or action pending by or against either of the Constituent Corporations may be prosecuted to judgment as if the Merger did not take place or the Surviving Corporation may be substituted in its place. Neither the rights of creditors nor liens upon the property of either of the Constituent Corporations shall be impaired by the Merger, but such liens shall be limited to the property upon which there were liens immediately prior to the Effective Date of the Merger.
4. **Articles of Incorporation and Bylaws.** The Articles of Incorporation of the Surviving Corporation shall be the Articles of Incorporation of River Falls as set forth in Exhibit A attached to and made a part of the Agreement. The Bylaws of the Surviving Corporation shall be the Bylaws of River Falls as set forth in Exhibit B attached to and made a part of the Agreement.
 5. **Certificate of Assumption.** The Surviving Corporation shall send to each of Trade Lake's policyholders a notice of the Merger and the Surviving Corporation's assumption of Trade Lake's policies in the form of a Certificate of Assumption and Endorsement which shall be substantially the same as Exhibit C attached to and made a part of this Agreement.
 6. **Directors.** The initial directors of the Surviving Corporation, their terms of office and years accrued toward their individual term limits, as of the Effective Date of the Merger shall be as listed in Exhibit D attached hereto and made a part of this Agreement. At each annual meeting thereafter, the policyholders shall elect directors to fill the positions of the directors whose terms expire from the candidates chosen by the Board of Directors of the Surviving Corporation to stand for such election or as otherwise provided by law. If on the Effective Date a vacancy shall exist on the Board of Directors of the Surviving Corporation, such vacancy may thereafter be filled in the manner provided by the Bylaws of the Surviving Corporation.
 7. **Officers.** The officers of the Surviving Corporation and their terms of office shall be those persons named in Exhibit D attached hereto and made a part of this Agreement, who shall serve until the next annual meeting or until their successors shall have been elected and shall qualify for office. If on the Effective Date a vacancy shall exist in any of the offices of the Surviving Corporation, such vacancy may thereafter be filled in the manner provided by the Bylaws of the Surviving Corporation.
 8. **Management.** Between the date hereof and the Effective Date of the Merger, the management of River Falls will be authorized to oversee and manage all operations and staff of Trade Lake.

9. Prohibited Transactions. Between the date hereof and the Effective Date of the Merger, neither Trade Lake nor River Falls will, except with the prior written consent of the other:

- a. Incur any obligation or liability (absolute or contingent), except current liabilities incurred, and obligations under contracts entered into, in the ordinary course of business;
- b. Discharge or satisfy any lien or encumbrance or pay any obligation or liability other than current liabilities in the ordinary course of business;
- c. Make any dividend or other payment or distribution to its members, except for dividends required under policies of insurance in the ordinary course of business;
- d. Mortgage, pledge, create a security interest in, or subject to a lien or other encumbrance, any of its assets, tangible or intangible;
- e. Sell or transfer any of its tangible assets or cancel any debts or claims except in the ordinary course of business;
- f. Sell, assign, or transfer and trademark, trade name, patent or other intangible asset;
- g. Waive any right of any substantial value; or
- h. Enter into any transaction other than in the ordinary course of business.

10. Representations and Warranties. Each of the Constituent Corporations hereby represents and warrants as follows:

- a. That each is a corporation duly authorized and validly existing under the laws of the State of Wisconsin and has the corporate power to own or lease its properties and to carry on its business as now being conducted;
- b. That the balance sheet and statements of income and surplus heretofore delivered to the other corporation fairly present, in accordance with Wisconsin Statutes governing mutual insurance company accounting, the financial condition and results of the operations of the corporation at the dates and for the periods indicated;
- c. There has been no material adverse change in the financial condition of the corporation from the date the balance sheet and statements of income and surplus were delivered to the other corporation until the date hereof;
- d. That it has heretofore delivered to the other corporation all employment contracts, contracts for the purchase or lease of tangible property, real or personal, and any other contracts creating executory obligations on its part beyond the effective date of the Agreement which may not be canceled on notice of thirty (30) days or less, and that it will not incur any new executory obligations, without approval of the other corporation, between the date hereof and the Effective Date of the Merger;
- e. That there is no action, suit, or proceeding pending against it involving the possibility of any judgment, order, injunction, or decree which might result in any material adverse change in the business, operations, properties or assets or the condition, financial or otherwise, of the corporation; and
- f. The Board of Directors of each corporation has adopted resolutions approving the Agreement and the transactions contemplated hereby and have authorized the execution and delivery of the

Agreement. Both corporations have full power and authority to enter into this Agreement and, upon obtaining all required regulatory approvals, to consummate the transactions contemplated hereby. This Agreement has been duly executed by each corporation and constitutes the valid and legally binding obligation of each corporation, enforceable against the other in accordance with its terms, subject to bankruptcy, receivership, insolvency, reorganization, moratorium, or similar laws affecting or relating to creditors' rights generally and subject to general principles of equity.

- g. Neither Trade Lake nor River Falls is or immediately prior to the Effective Date will be in default under its Articles of Incorporation or Bylaws, or in default under any indenture or under any material agreement or other material instrument to which it is a party or by which it or any of its properties is bound or to which it is subject. Subject to the receipt of all consents and approvals contemplated by this Agreement, the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby or the fulfillment of and compliance with the terms and provisions hereof, will not (i) violate any judicial, administrative or arbitral order, writ, award, judgment, injunction or decree involving either Trade Lake or River Falls, (ii) conflict with the terms, conditions or provisions of the Articles of Incorporation or Bylaws, (iii) conflict with, result in a breach of, constitute a default under or accelerate or permit the acceleration of the performance required by, any indenture or any material agreement or other material instrument to which either party is bound, (iv) result in the creation of any lien, charge or encumbrance upon any of the assets of either company under any such agreement or instrument, or (v) terminate or give any party thereto the right to terminate any such indenture, agreement or instrument. No consent of any third party to any indenture of any material agreement or other material instrument to which either Trade Lake or River Falls is a party is required in connection with the Merger.

11. Continuing Authority of Trade Lake Officers. On the Effective Date of the Merger, the separate existence of Trade Lake shall cease. However, the authority of the present officers of Trade Lake shall continue for the sole purpose of executing and delivering all necessary documents to affect the terms of this Agreement.

12. Termination of this Agreement. This Agreement may be terminated, and the Merger abandoned at any time prior to the Effective Date:

- a. By mutual consent of the Boards of Directors of both Trade Lake and River Falls;
- b. By the Board of Directors of either Trade Lake or River Falls if:
 - i. the Merger is not approved by the Commissioner by July 1, 2023; or
 - ii. the other corporation shall have engaged in any of the prohibited actions described under Section 9 of this Agreement or shall have materially violated any of the representations or warranties contained herein, or if there shall have taken place any event or development after the date hereof which materially and adversely affects the business, operations, or properties of such other corporation.

13. Additional Agreements.

- a. **Employee Matters.** All employees of Trade Lake will become employees of River Falls on the effective date and will work out of the Trade Lake office and be eligible for all benefits and rights as outlined in the River Falls Summary of Employee Benefits attached as Exhibit E.
- b. **Trade Lake Agents.** The parties agree that the Trade Lake agents deemed to be in good standing by Trade Lake, will become appointed agents of River Falls as of the Effective Date.

- c. River Falls - Trade Lake Division Advisory Group. All directors of Trade Lake will on the Effective Date become the River Falls - Trade Lake Division Advisory Group. The management of the Surviving Corporation will meet with this group quarterly for the purposes of updating the group on the financial and business status of the corporation. The group membership and compensation will be as listed in Exhibit F. The term of the group members will be for 12 months from the Effective Date and the existence of River Falls - Trade Lake Division Advisory Group shall thereupon cease.
- d. It is agreed that Trade Lake will purchase prior to the Effective Date of the Merger, and River Falls will keep in effect for three years from the date of Merger, an Extended Reporting Period option for Trade Lake's Combined Insurance Company Liability and Directors and Officers Liability Policy for the current \$2,000,000 of coverage.

14. Merger Effective Time. The effective time Merger shall be 12:01 a.m.

15. Merger Effective Date. The effective date shall be the date, no earlier than July 1, 2023, and no later than 1/1/2024, that Trade Lake and Rive Falls agree to in writing and specify in the Certificate of Merger in accordance with applicable law.

16. General Provisions.

- a. **Expenses of Merger.** The estimated expenses of implementing the Merger are approximately Fifteen Thousand Dollars (\$15,000.00), and in the event the Merger is not successfully completed, any cost of the Merger shall be borne equally between Trade Lake and River Falls.
- b. **Authority to Effect Merger.** The officers and directors of each Constituent Corporation are hereby authorized to take such other action as may be necessary and required to comply with the requirements of sec. 612.21, Stats., or as may be required by the Commissioner to effect the Merger.
- c. **Entire Agreement.** This Agreement, including any Schedules and Exhibits referred to herein and attached hereto and any Addendum to this Agreement signed by the parties hereto, shall constitute the entire contract between Trade Lake and River Falls.
- d. **Modifications, Amendments and Waivers.** At any time prior to the Effective Date, the parties hereto may, by written agreement, (a) extend the time for the performance of any of the obligations or other acts of the parties hereto, (b) waive any inaccuracies in the representations and warranties contained in this Agreement or in any document delivered pursuant hereto, (c) waive compliance with any of the covenants or agreements contained in this Agreement, or (d) make any other modification of this Agreement approved by the respective Boards of Directors of the parties hereto and if material subject to approval by the Commissioner. This Agreement shall not be altered or otherwise amended except pursuant to an instrument in writing executed and delivered on behalf of each of the parties hereto.
- e. **Notices.** Any notice or communication given pursuant to this Agreement must be in writing, sent by first class mail postage prepaid, by facsimile or by personal delivery to the following:

**If to:
Trade Lake Mutual**

Trade Lake Mutual
Attn: Jackie Coen
11733 State Hwy 48
Frederic, WI 54837

**If to:
River Falls Mutual**

River Falls Mutual
Attn: Jeff Dusek
218 North Main Street
River Falls, WI 54022

Notice will be deemed to be duly given when deposited in the United States mail if sent by first class mail and when received if sent by facsimile or personal delivery.

- f. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which will be deemed an original, but all of which will constitute one and the same instrument.

IN WITNESS WHEREOF, the parties to this Agreement have caused it to be executed as of the date and year first above written.

TRADE LAKE MUTUAL INSURANCE COMPANY

By:

Date: 5/5/23

Wayne Gustafson
Chairman of the Board

Attest:

Date: 5/5/23

Deane Mullner
Secretary

RIVER FALLS MUTUAL INSURANCE COMPANY

By:

Date: 5-5-23

Richard A. Ruemmele
Chairman of the Board

Attest:

Date: 5-5-23

George Matetz
Secretary