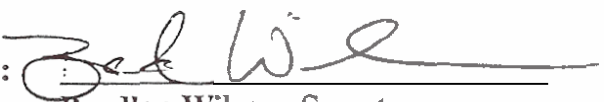


BYLAWS

OF

LAKE COUNTRY HOMEOWNERS ASSOCIATION, INC.

Adopted as of June 30, 1995

By: 
Bradley Wilson. Secretary
of Lake County Homeowners
Association, Inc.

BYLAWS
OF
LAKE COUNTRY HOMEOWNERS ASSOCIATION, INC.

(Adopted as of June 30, 1995)

ARTICLE I

PURPOSE

The Corporation is organized and shall be operated on a not-for-profit basis exclusively for public, charitable, religious, and/or educational purposes, including the operation, administration, and maintenance of a subdivision known as "Lake Country Estates" established pursuant to that certain Declaration of Restrictions for Lake County Estates dated October 29, 1991 and recorded in the Waukesha County registry on October 31, 1991 in Reel 1367, Images 0406 to 0412 inclusive as Document No. 1682070 (hereafter the "Declaration") and located in the Village of Nashotah, Waukesha County, Wisconsin, and for any other lawful activity within the purposes for which corporations may be organized under Chapter 181 of the Wisconsin Statutes, as the same now provides and as the same may hereafter be amended to provide.

ARTICLE II

OFFICES

The Corporation's principal office in the State of Wisconsin shall be located in the City of Milwaukee. The Corporation may have such other offices, either within or without the State of Wisconsin, as the Board of Directors may designate from time to time.

The Corporation's registered office required by the Wisconsin Nonstock Corporation Law to be maintained in the State of Wisconsin may be, but need not be, identical to the principal office in the State of Wisconsin, and the address of the registered office may be changed from time to time by the Board of Directors or by the registered agent.

ARTICLE III

MEMBERSHIP

Section 1. Membership.

There shall be one (1) class of voting membership. The members shall be all the lot owners of Lake Country Estates. Members shall have one vote for each lot owned, such vote to be indivisible and nonseverable. Every lot owner, upon acquiring title to a lot or any land rights thereto under the terms of the Declaration, or upon entering into a land contract for the purchase of a lot, shall automatically become a member of the Corporation and shall remain a member thereof until such time as his ownership of such lot ceases for any reason, at which time

his membership in the Corporation shall automatically cease. In the event a lot is owned by more than one person or entity, the person or entity who shall be entitled to vote for the lot shall be the person or entity named on a certificate executed by all of the co-owners of the lot and filed with the Secretary of the Corporation. Such designated person or entity shall cast ~~such~~ vote as determined by agreement of the co-owners of the lot.

Section 2. General Powers.

The members shall have the power and authority to elect the Board of Directors, and, to the extent consistent with the Declaration, to elect the members of the Architectural Control Committee for Lake County Estates, and the members shall have no other power or authority except as expressly provided in the Declaration. Notwithstanding the foregoing, the members shall have no authority over the Corporation or any of its affairs until such time as FRED-Nashotah notifies the members that FRED-Nashotah no longer owns any of the lots in Lake Country Estates pursuant to Article XV of the Declaration.

Section 3. Lot Owner Prohibited from Voting.

No lot owner may vote at any meeting if any assessment fee is thirty (30) days past due and/or the Corporation has a lien against the lot for an unpaid amount due the Corporation, or if the Corporation has instituted an action to perfect a lien and the amount necessary to release such lien has not been paid at the time of such meeting.

Section 4. Proxies.

Any lot's vote may be cast pursuant to a proxy executed by the lot owner. No proxy shall be revocable except by actual notice of revocation given to the presiding officer of the meeting by the lot owner or by the majority in interest of the co-owners. All proxies must be filed with the Secretary of the Corporation before the time of the meeting for which they are given. Every proxy shall state the time at which it shall terminate, the date it was executed and that it shall not be revocable without notice. In any event, except with respect to proxies in favor of a mortgagee, no proxy shall be valid for a period in excess of one hundred eighty (180) days.

Section 5. Membership Roster.

The Secretary of the Corporation shall maintain a membership roster which states the name and address of each person or entity entitled to cast a vote on behalf of the lot. Co-owners of a lot shall provide the Corporation with a certificate naming the individual or entity entitled to vote on behalf of the lot. Any change in the designation of the individual or entity entitled to vote shall be delivered to the Secretary of the Corporation.

Section 6. Annual Meetings.

The first annual meeting of the lot owners shall be held at 7:00 p.m. on the 15th day of December during the year immediately following the year in which the FRED-Nashotah notifies

the members that FRED-Nashotah no longer owns any lots in Lake Country Estates pursuant to Article XV of the Declarations. Unless otherwise determined by the Board of Directors, annual meetings of the Corporation held after the first annual meeting shall be held on the same day of the same month of each succeeding year, unless such date shall occur on a Saturday, Sunday or legal holiday, in which event the meeting shall be held on the next succeeding Monday which is not a legal holiday. Meetings of the Corporation shall be held at the offices of the Corporation or at such other suitable place convenient to lot owners as may be designated by the Board of Directors from time to time.

section 7. Special Meetings.

The President, the Board of Directors or the members having thirty-three percent (33%) of the votes in the Corporation may call a special meeting, upon a written petition signed by lot owners holding not less than thirty-three percent (33%) of the interests in Lake Country Estates. The only issues which may be addressed at a special meeting are those issues stated in the notice of such meeting. Notwithstanding the foregoing, the members shall not be entitled to call a special meeting of the members until after FRED-Nashotah notifies the members that it no longer owns any lots in Lake Country Estates as provided in Article XV of the Declaration.

Section 8. Notice of Meetings.

The Secretary shall cause to be sent to each lot owner written notice of the time, place and purpose or purposes of all general and special meetings of the Corporation. Such notice shall be given at least ten (10) days but no more than thirty (30) days in advance of the meeting. Such notice shall be sent by United States mail, first class postage prepaid. In lieu of mailing notice of a meeting in the manner provided in this Section, the Secretary may cause such notice to be personally delivered; provided however, the Secretary shall certify in writing that such notice was personally delivered to the lot owner.

Section 9. Conduct of Meetings.

The minutes of all meetings shall be held in a minute book maintained for the Corporation by the Secretary. The then-current Robert's Rules of Order or any other rules of procedure acceptable to a majority of the votes of lot owners shall govern the conduct of all meetings of the Corporation when not in conflict with the Declaration or these Bylaws. **All** votes shall be tallied by a person or persons appointed by the presiding officer of the meeting.

~~Section 10.~~ ~~Majority Required to Act.~~

Except as otherwise required by the Declaration or these Bylaws, decisions of the members of the Corporation shall be made by a majority of the votes of the lots in Lake Country Estates at a meeting of the Corporation at which a quorum is present.

Section 11. Quorum.

A quorum for the purposes of general or special meetings shall consist of thirty-three percent (33%) of the votes entitled to vote unless otherwise required by the Declaration.

Section 12. Action Without Meeting.

Any action by lot owners required or permitted to be taken at a meeting may be taken without a meeting if all of the lot owners (and mortgagees, if required) shall consent in writing to such action. Any such unanimous written consent shall be filed with the minutes of the proceedings of the meetings of the Corporation.

ARTICLE IV

BOARD OF DIRECTORS

Section 1. General Powers.

Except for the authority granted to the members under the Declaration and Article III hereof, the business and affairs of the Corporation shall be managed by its Board of Directors.

Section 2. Number.

The initial number of directors of the Corporation shall be three (3), except that the Board of Directors may, subject to any restrictions set forth in the Corporation's Articles of Incorporation, from time to time alter the number of directors by resolution adopted by a majority vote of the directors then in office.

Section 3. Manner of Selection; Tenure.

The initial directors shall be those listed in the Articles of Incorporation. Directors shall be elected by the Corporation's members at their annual meetings, provided, however, as long as FRED-Nashotah owns any lots in Lake Country Estates, FRED-Nashotah shall appoint all members to the Corporation's Board of Directors, which shall serve at the will of FRED-Nashotah. Thereafter, each director shall serve a term of three (3) years to begin on the date of election. In the event the directors increase the size of the Board, simultaneously with the election of such additional directors, the initial terms of such additional directors (which shall be either one (1) year or two (2) years) shall be determined by lottery such that the terms of one half (or as close to one-half as possible) of the entire number of directors shall expire in alternating years.

Section 4. Annual Meeting and Regular Meetings.

The annual meeting of the Board of Directors shall be held at 8:00 p.m. on the 15th day of December of each year beginning in year immediately following the year in which the FRED-Nashotah notifies the members that FRED-Nashotah no longer owns any lots in Lake Country

Estates pursuant to Article XV of the Declarations. Such meetings shall be held at the Corporation's principal offices, or such other time and place fixed by the Board of Directors. Regular meetings of the Board of Directors shall be held at such times and places fixed by the Board of Directors, pursuant to prior notice either by resolution adopted at the last meeting of the Board of Directors in accordance with the provisions of Section 6 of this Article IV.

Section 5. Special Meetings.

Special Meetings of the Board of Directors may be called by or at the request of the President or any one (1) director. The person or persons authorized to call Special Meetings of the Board of Directors may fix the time and place, within the State of Wisconsin, as the time and place for holding any Special Meeting of the Board of Directors called by them.

Section 6. Notice.

Notice of any meeting shall be given at least ten (10) days but no more than thirty **(30)** days previously thereto either personally or by written notice delivered personally or mailed to each director at his or her business address, or by telegram. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid. If notice be given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Whenever any notice is required to be given to any director of the Corporation under the provisions of these By-laws or under the provisions of the Articles of Incorporation or under the provisions of any law, a waiver thereof in writing, signed at any time, whether before or after the time of the meeting, by the director entitled to such notice, shall be deemed equivalent to the giving of such notice. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a **director** attends a meeting and objects thereto to the transaction of any business because the meeting is not lawfully called or convened.

Section 7. Quorum.

A majority of the number of directors then in office shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. Although less than a quorum is present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

Section 8. Removal.

So long as it owns any land in Lake Country Estates, FRED-Nashotah may, at any time by written notice to the Board of Directors, remove any director appointed to the Board of Directors, and appoint a successor director. Any director, except for a director appointed by FRED-Nashotah, may be removed from office either with or without cause, by the affirmative vote of a majority of directors then in office taken at a special meeting of directors called for that purpose.

Section 9. Vacancies.

The Board of Directors may fill any vacancy in the Board at the recommendation of the Board by the affirmative vote of a majority of its directors then in office, although less than a quorum. Each person so elected to fill a vacancy shall be elected to serve until the next succeeding annual election.

Section 10. Presumption of Assent.

A director of the Corporation who is present at a meeting of the Board of Directors or a committee thereof at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless the director's dissent shall be entered in the minutes of the meeting or unless the director files a written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who votes in favor of such action.

Section 11. Committees.

The Board of Directors may designate one or more committees. Unless otherwise provided herein, each committee shall have a chairperson who shall be a member of the Board. The Board shall establish the number of persons who serve as members of each committee. Committee members (other than the Chairperson) need not be members of the Board or officers of the Corporation and shall be chosen by the President, subject to the approval of the Board. Each committee member shall serve a one (1) year term or until his or her successor is appointed by the President or until such committee member shall resign. Each committee shall be responsible to the Board.

Section 12. Unanimous Consent Without Meeting.

Any action required or permitted by the Articles of Incorporation or Bylaws or any provision of law to be taken by the Board of Directors at a meeting or by resolution may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all the directors then in office.

Section 13. Compensation.

~~The Board of Directors shall serve without compensation therefore.~~

Section 14. Special Committees.

Special Committees may be appointed by the President or the Board of Directors to perform such duties and have such authority as may be assigned to them by the Board of Directors.

ARTICLE V

OFFICERS

Section 1. Number.

The principal officers of the Corporation shall be a President, one or more Vice Presidents, a Secretary and a Treasurer. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the Board of Directors. Any two or more offices may be held by the same person, except the offices of President and Secretary, and President and Vice President.

Section 2. Election and Term of Office.

The Corporation's initial officers shall be elected by the initial Board of Directors, and thereafter the officers shall be elected by the Board of Directors at the Annual Meeting of the Directors. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be held. Each officer shall hold office until the next annual shareholders meeting, commencing on the day of his or her election, or until his or her successor shall have been duly elected and shall have qualified, or until his or her death or resignation or until he or she shall have been removed from office in the manner hereinafter provided.

Section 3. Removal.

Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the Corporation's best interests will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment shall not of itself create contract rights.

Section 4. Vacancies.

A vacancy in any principal office, because of death, resignation, removal, disqualification or otherwise, shall be filled by the Board of Directors for the unexpired portion of the term.

Section 5. The President.

~~———— The President shall be the Corporation's principal executive officer and, subject to the~~ control of the Board of Directors, shall in general supervise and control ~~all~~ of the business and affairs of the Corporation. The President shall, when present, preside at all meetings of the Board of Directors. The President may, with the Secretary or any other proper officer of the Corporation thereunto authorized by the Board of Directors, sign any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by the By-Laws to some other officer or agent of the Corporation, or shall be required by law to be otherwise signed or executed; and in general shall perform all duties

incidental to the office of the President and such other duties as may be prescribed by the Board of Directors from time to time. The President shall be an ex-officio member of all the Corporation's committees.

Section 6. The Vice Presidents.

In case of the absence or disability of the President, the Vice-Presidents, in the order of their priority (the first Vice-President shall be designated as the President-Elect), shall perform the duties of the President, and shall also perform such other duties as may be required by the Board of Directors.

Section 7. The Secretary.

The Secretary shall: (a) keep the minutes of the meetings of the Board of Directors in one or more books provided for that purpose; (b) be custodian of the Corporation's records; (c) prepare and serve all notices of meetings required to be served under these By-Laws; and (d) in general perform all duties incidental to the office of Secretary and such other duties as from time to time may be assigned by the President or by the Board of Directors.

Section 8. The Treasurer.

If required by the Board of Directors, the Treasurer will give a bond for the faithful discharge of his or her duties and any such bond shall remain in the custody of the President. The Treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the Corporation; shall sign all checks made by the Corporation, except when the Board of Directors shall otherwise direct, but any check in an amount in excess of Five Hundred Dollars (\$500.00) shall be signed jointly by the Treasurer and by such other person designated by the Board; receive and give receipts for monies due and payable to the Corporation from any source whatsoever, and deposit all such monies in the name of the Corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of Article VI of these By-Laws, and (b) in general perform all of the duties incidental to the office of Treasurer and such other duties as from time to time may be assigned by the President or by the Board of Directors.

Section 9. Salaries.

The officers shall serve without compensation therefore.

ARTICLE VI

CONTRACTS, LOANS, CHECKS AND DEPOSITS

Section 1. Contracts.

The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or to execute and deliver any instrument in the name of and on behalf of the Corporation, and such authorization may be general or confined to specific instances.

Section 2. Loans.

No loans shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name unless authorized by or under the authority of a resolution of the Board of Directors. Such authorization may be general or confined to specific instances.

Section 3. Checks. Drafts. Etc.

All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation, shall be signed by such officer or officers, agent or agents, of the Corporation and in such manner as shall from time to time be determined by or under the authority of a resolution of the Board of Directors.

Section 4. Deposits.

All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as may be selected by or under the authority of the Board of Directors.

ARTICLE VII

INDEMNIFICATION

Section 1. Certain Definitions.

All capitalized terms used in this Article **VII** and not otherwise hereinafter defined in this Section 1 shall have the meanings set forth in Section 181.041 of the Statute. The following capitalized terms (including any plural forms thereof) used in this Article VII shall be defined as follows:

(a) "**Affiliate**" shall include, without limitation, any corporation, partnership, joint venture, employee benefit plan, trust or other enterprise that, directly or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the Corporation.

(b) "Authority" shall mean the entity selected pursuant to Section 4 of this Article VII by the director or officer to determine his or her right to indemnification.

(c) "Board-Appointed Committee" shall mean a committee duly appointed by the Board of Directors and consisting solely of two (2) or more directors not at the time parties to the subject Proceeding or any related Proceeding.

(d) "Board of Directors" shall mean the entire then-elected and serving Board of Directors of the Corporation, including all members thereof who are Parties to the subject Proceeding or any related Proceeding, unless specifically stated otherwise herein.

(e) "Breach of **Duty**" shall mean a director's or officer's breach or failure to perform his or her duties to the Corporation and his or her breach or failure to perform those duties constitute any of the following: (i) a willful failure to deal fairly with the Corporation in connection with a matter in which the director or officer has a material conflict of interest; (ii) a violation of criminal law, unless the director or officer had reasonable cause to believe his or her conduct was lawful or no reasonable cause to believe his or her conduct was unlawful; (iii) a transaction from which the director or officer derived an improper personal profit; and (iv) willful misconduct.

(f) "Controlled Subsidiary" shall mean any subsidiary of the Corporation, at least 80% of the outstanding voting stock of which is owned directly or indirectly by the Corporation.

(g) "Corporation" as used herein and as defined in the Statute and incorporated by reference into the definitions of certain other capitalized terms used herein, shall mean this Corporation, including, without limitation, any successor corporation or entity to this Corporation by way of merger, consolidation or acquisition of all or substantially all of the assets of this Corporation.

(h) "Director" or "Officer" shall mean any of the following: (i) a natural person who is or was at the time of the events giving rise to the Proceeding a director or officer of the Corporation; (ii) a natural person who, while a director or officer of the Corporation, is or at the time of the events giving rise to the Proceeding was serving at the Corporation's request as a director, officer, partner, trustee, member of any governing or decision-making committee, employee or agent of another corporation, partnership, joint venture, trust or other enterprise; however, it shall be conclusively presumed that any Director or Officer serving as a director or officer, partner, trustee, or member of an **Affiliate** shall be serving at the request of the Corporation; or (iii) a natural person who, while a director or officer of the Corporation, is or was serving an employee benefit plan because his or her duties to the Corporation also imposed duties on, or otherwise involved services by, the person to the plan or to participants in or beneficiaries of the plan. "Director" or "Officer" shall include the estate, heirs, personal representatives, administrators, guardians and conservators of any deceased or former "Director" or "Officer."

(i) "Disinterested Quorum" shall mean a quorum of the Board of Directors consisting of Directors who are not Parties to the subject Proceeding or any related Proceeding.

(j) "Expenses" shall include fees, costs, charges, disbursements, attorneys' fees, and other expenses incurred in connection with a Proceeding.

(k) "Liability" shall include the obligation to pay a judgment, settlement, penalty, assessment, forfeiture or fine, including any excise ~~tax~~ assessed with respect to an employee benefit plan, and reasonable expenses.

(l) "Party" shall mean a natural person who was or is, or is threatened to be made, a named defendant or respondent in a Proceeding, or any Director or Officer who is or was a witness in a Proceeding at a time when he or she has not otherwise been formally named a Party thereto.

(m) "Proceeding" shall mean (i) any threatened, pending or completed action, suit, claim, litigation, investigation, arbitration or proceeding, whether civil, criminal, administrative or investigative, formal or informal, predicated on foreign, federal, state or local law, rule or regulation brought by or in the right of the Corporation or by any other person or by any governmental or administrative authority; (ii) all proceedings brought before an Authority or otherwise to enforce rights hereunder; (iii) any appeal from a Proceeding; and (iv) any proceeding in which the Director or Officer is a plaintiff or petitioner because he or she is a Director or Officer; provided, however, that any such Proceeding under this subsection (iv) must be authorized by a majority vote of a Disinterested Quorum.

(n) "**Statute**" shall mean Sections 181.041 through 181.053, inclusive, of the Wisconsin Nonstock Corporation Law, Chapter 181 of the Wisconsin Statutes, as the same shall then be in effect, including any amendments thereto, but, in the case of any such amendment, only to the extent such amendment permits or requires the Corporation to provide broader indemnification rights than the Statute permitted or required the Corporation to provide prior to such amendment.

Section 2. Mandatory Indemnification.

(a) The Corporation shall indemnify a Director or Officer, to the extent he or she has been successful on the merits or otherwise in the defense of a Proceeding, for all reasonable expenses incurred in connection with the defense of the Proceeding if the Director or Officer was a party thereto because he or she is or was at the time of the events upon which the Proceeding was based a Director or Officer of the Corporation.

(b) In all cases not included in Section 2(a) of this Article VII, the Corporation shall indemnify a Director or Officer against Expenses and Liabilities incurred by the Director or Officer in a Proceeding to which the Director or Officer was a party because he or she is or was at the time of the event upon which the Proceeding was based a Director or Officer of the Corporation, unless liability was incurred because the Director or Officer engaged in conduct constituting a Breach of Duty.

Section 3. Procedural Requirements.

(a) A Director or Officer who seeks indemnification under Section 2 of this Article VII shall make a written request therefor to the Treasurer of the Corporation or, if the party seeking indemnification is the Treasurer, to the President of the Corporation.

(b) Within sixty (60) days of the Corporation's receipt of such request, as provided in Section 3(a) of this Article VII, a Disinterested Quorum or, if a Disinterested Quorum cannot be obtained, a Board-Appointed Committee shall meet to determine, by a majority vote thereof, whether the Director or Officer requesting indemnification is entitled to such indemnification pursuant to the requirements of Section 2 of this Article VII. Upon approval of such request, indemnification by the Corporation of the requested amount of Liabilities shall be paid to the Director or Officer immediately (net of any Expenses previously advanced pursuant to Section 5 of this Article VII).

(c) In the event that, pursuant to Section 3(b) of this Article VII, the Disinterested Quorum or the Board-Appointed Committee, as the case may be, denies the Director's or Officer's request for indemnification, or in the event that neither a Disinterested Quorum nor a Board-Appointed Committee can be obtained, the Board of Directors shall immediately authorize by resolution that an Authority, appointed as provided in Section 4 of this Article VII, determine whether the Director's or Officer's conduct constituted a Breach of Duty and, therefore, whether indemnification should be denied hereunder.

(d) (i) If the Board of Directors does not authorize an Authority to determine the Director's or Officer's right to indemnification hereunder within such 60-day period and/or (ii) if indemnification of the requested amount of Liabilities is paid by the Corporation, then it shall be conclusively presumed for all purposes that a Disinterested Quorum has affirmatively determined that the Director or Officer did not engage in conduct constituting a Breach of Duty and, in the case of subsection (i) above (but not subsection (ii)), indemnification by the Corporation of the requested amount of Liabilities shall be paid to the Director or Officer immediately.

Section 4. Determination of Indemnification.

(a) If the Board of Directors authorizes an Authority to determine a Director's or Officer's right to indemnification pursuant to Section 3 of this Article VII, then the Director or Officer requesting indemnification shall have the absolute discretionary authority to select one of the following as such Authority:

(i) An independent legal counsel selected by majority vote of a Disinterested Quorum, or, if a Disinterested Quorum cannot be obtained, by majority vote of a Board-Appointed Committee, or, if a Disinterested Quorum or a Board-Appointed Committee cannot be obtained, by a majority vote of the full Board of Directors, including Directors who are parties to the same or related Proceedings; or

(ii) A panel of three (3) arbitrators selected from panels of arbitrators of the local American Arbitration Association, provided that: (A) one arbitrator shall be selected by such Director or Officer, the second arbitrator shall be selected by a majority vote of those Directors entitled under subsection (i) of this Section 4 to select independent legal counsel, and the third arbitrator shall be selected by the two previously- selected arbitrators; and (B) in all other respects, such panel shall be governed by the American Arbitration Association's then existing Commercial Arbitration Rules; or

(iii) The affirmative vote or unanimous written consent of the members of the Corporation if there are members having voting rights at the time. However, membership rights owned by or voted under the control of persons who at the time of the vote or consent are parties to the same or related Proceedings, whether as plaintiffs or defendants or in any other capacity, may not be voted in making the determination; or

(iv) A court of competent jurisdiction upon application by the Director or Officer for an initial determination of entitlement to indemnification or for review by the court of an adverse determination under Sections 3 and 4 of this Article VII. Indemnification shall be ordered if the court determines that the Director or Officer is entitled to indemnification under Section 2 or 3 or that the Director or Officer is fairly and reasonably entitled to indemnification in view of all of the relevant circumstances.

(b) In any such determination by the selected Authority, there shall exist a rebuttable presumption that the Director's or Officer's conduct did not constitute a Breach of Duty and that indemnification against the requested amount of Liabilities is required. The burden of rebutting such a presumption by clear and convincing evidence shall be on the Corporation or such other party asserting that such indemnification should not be allowed. Further-more, the termination of a Proceeding by judgment, order, settlement or conviction, or upon a plea of no contest or an equivalent plea, does not, by itself, create a presumption that indemnification of the Director or Officer is not required under Section 2 or 3 of this Article VII.

(c) The Authority shall make its determination within sixty (60) days of being selected and shall submit a written opinion of its conclusion simultaneously to both the Corporation and the Director or Officer.

(d) If the Authority determines that indemnification is required hereunder, the Corporation shall pay the entire requested amount of Liabilities (net of any Expenses previously advanced pursuant to Section 5), including interest owed at a reasonable rate, as determined by the Authority, within ten (10) days of receipt of the Authority's opinion; provided that, if it is determined by the Authority that a Director or Officer is entitled to indemnification against Liabilities incurred in connection with some claims, issues or matters, but not as to other claims, issues or matters, involved in the subject Proceeding, the Corporation shall be required to pay (as set forth above) only the amount of such requested Liabilities as the Authority shall deem appropriate in light of the circumstances of such Proceeding.

(e) The determination by the Authority that indemnification is required hereunder shall be binding upon the Corporation regardless of any prior determination that the Director or Officer engaged in a Breach of Duty.

(f) All Expenses incurred in the determination process under this Section 4 by either the Corporation or the Director or Officer, including, without limitation, all Expenses of the selected Authority, shall be paid by the Corporation.

Section 5. Allowance of Expenses as Incurred.

(a) The Corporation shall pay or reimburse, from time to time, or at any time within ten (10) days after the receipt of the Director's or Officer's written request therefor, the reasonable Expenses incurred by a Director or Officer who is a party to a Proceeding, as those Expenses are incurred, provided that the Director or Officer satisfies the following conditions:

- (i) The Director or Officer furnishes to the Corporation an executed written affirmation of his or her good-faith belief that he or she has not engaged in conduct which constitutes a Breach of Duty; and
- (ii) The Director or Officer furnishes to the Corporation an unsecured written agreement, executed by the Director or Officer personally or on his or her behalf, to repay any advances made under this Section 5 to the extent it is ultimately determined that the Director or Officer is not entitled to be indemnified by the Corporation for such Expenses pursuant to Sections 2, 3 and 4 of this Article VII.

(b) If the Director or Officer must repay any previously advanced Expenses pursuant to this Section 5, such Director or Officer shall not be required to pay interest on such amounts.

Section 6. Indemnification and Allowance of Expenses of Certain Others.

(a) The Corporation shall indemnify an individual who is or was a director or officer of any Controlled Subsidiary (who is not or was not otherwise serving as a Director or Officer) against all Liabilities, and shall advance the reasonable expenses incurred by such director or officer in a Proceeding, but only to the extent such Proceeding is based on acts or omissions alleged to have occurred after the Controlled Subsidiary has become a subsidiary of the Corporation and, otherwise, to the same extent hereunder as if such director or officer incurred such Liabilities because he or she was a Director or Officer, or if such director or officer is a party thereto because he or she is or was a director or officer of the Controlled Subsidiary.

(b) The Board of Directors may, in its sole and absolute discretion, as it deems appropriate, and pursuant to a majority vote thereof, indemnify an individual who is or was a director or officer of an Affiliate (who is not otherwise serving as a Director or Officer or a director or officer of a Controlled Subsidiary) against all Liabilities, and shall advance the reasonable Expenses, incurred by such director or officer in a Proceeding to the same extent hereunder as if such director or officer incurred such Liabilities because he or she was a

Director or Officer, or if such director or officer is a Party thereto because he or she is or was a director or officer of the Affiliate.

(c) The Board of Directors may, in its sole and absolute discretion, as it deems appropriate, and pursuant to a majority vote thereof, indemnify against the Liabilities incurred by, and/or provide for the advance or allowance of reasonable Expenses of, an employee or authorized agent of the Corporation acting within the scope of his or her duties as such and who is not otherwise a Director or Officer.

Section 7. Insurance.

The Corporation may purchase and maintain insurance on behalf of a Director or Officer or any individual who is or was an employee or authorized agent of the Corporation, or to reimburse itself, against any Liability asserted or incurred, and expenses incurred, by such Director or Officer or individual in connection with a Proceeding brought against such Director or Officer or individual in his or her capacity as such or arising from his or her status as such, regardless of whether the Corporation is required or permitted to indemnify against any such Liability or to reimburse for any such Expenses incurred under this Article VII.

Section 8. Notice to the Corporation.

A Director or Officer shall promptly notify the Corporation in writing when he or she has actual knowledge of a Proceeding which may result in a claim of indemnification against Liabilities or allowance of Expenses hereunder, but the failure to do so shall not relieve the Corporation of any Liability to the Director or Officer hereunder unless the Corporation shall have been irreparably prejudiced by such failure (as determined by an Authority selected pursuant to Section 4(a) of this Article VII.

Section 9. Severability.

If any provision of this Article VII shall be deemed invalid or inoperative, or if a court of competent jurisdiction determines that any of the provisions of this Article VII contravene public policy, this Article VII shall be construed so that the remaining provisions shall not be affected, but shall remain in full force and effect, and any such provisions which are invalid or inoperative or which contravene public policy shall be deemed, without further action or deed by or on behalf of the Corporation, to be modified, amended and/or limited, but only to the extent necessary to render the same valid and enforceable; it being understood that it is the Corporation's intention to provide the Directors and Officers with the broadest possible protection against personal liability allowable under the Statute.

Section 10. Nonexclusivity of Article VII.

The rights of a Director or Officer (or any other person) granted under this Article VII shall not be deemed exclusive of any other rights to indemnification against Liabilities or allowance of Expenses which the Director or Officer (or such other person) may be entitled to under any written agreement, Board resolution, or otherwise, including, without limitation,

under the Statute. Nothing contained in this Article VII shall be deemed to limit the Corporation's obligations to indemnify against Liabilities or allow Expenses to a Director or Officer under the Statute.

Section 11. Amendment: Effective Date.

(a) This Article VII may only be altered, amended or repealed by the affirmative vote of a majority of the Directors of the Corporation represented at a meeting at which a quorum is present and,entitled to vote.

(b) This Article VII shall be deemed to be a contract between the Corporation and each previous, current or future Director and Officer. The provisions of this Article VII shall apply to all Proceedings commenced after the date hereof, whether arising from any action taken or any failure to act before or after such date, and any repeal or other limitation of this Article VII or any repeal or limitation of the Statute or any other applicable law shall not limit any rights of indemnification against Liabilities or allowance of Expenses then existing or arising out of events, acts or omissions occurring prior to such repeal or limitation, including, without limitation, the right to indemnification against Liabilities or allowance of Expenses for Proceedings commenced after such repeal or limitation to enforce this Article VII with regard to acts, omissions or events arising prior to such repeal or limitation.

ARTICLE VIII

AMENDMENTS

Section 1. Board of Directors.

The Board of Directors may from time to time, by vote of a majority of its members, adopt, amend or repeal any and all of the Bylaws of this Corporation.

Section 2. Implied Amendments.

Any action taken or authorized by the Board of Directors which would be inconsistent ~~with~~ the Bylaws then in effect, but which is taken or authorized by affirmative vote of not less than the number of members or the number of directors required to amend the Bylaws so that the Bylaws would be consistent with such action, shall be given the same effect as though the Bylaws had been temporarily amended or suspended as far, but only as far, as is necessary to permit the specific action so taken or authorized.

ARTICLE IX

FISCAL YEAR

The fiscal year of the Corporation shall end on December 31 of each year, and commence on the following January 1.

ARTICLE X

CORPORATE SEAL

The Corporation shall have no seal.