



Bylaw Changes

The Board of Directors of Monona Bankshares, Inc. ("MBI") is recommending a "Yes" vote on the proposed bylaw changes. The current bylaws MBI are the original bylaws of the organization, adopted in 1991. The board determined that with changes in how companies and bank holding companies now operate, it is prudent to adopt bylaws that are more reflective of the current environment.

There are not any substantive changes to the current bylaws and none of the changes increases or decreases the size of the board. Most of the updates are related to updated references to Wisconsin Statutes, clarification of indemnification clauses and adding flexibility in the operation of board functions.

These MBI bylaws cover the operations of Monona Bankshares, Inc. only; Monona State Bank has its own set of bylaws. Those bylaws were also updated as part of this process and formally adopted at its March 15, 2016 board meeting. Those bylaws also had language updates among other changes.

The proposed bylaws follow this document.

BYLAWS OF MONONA BANKSHARES, INC.

ARTICLE I. OFFICES

The principal office of the Corporation shall be located in Dane County, Wisconsin.

ARTICLE II. SHAREHOLDERS

SECTION 1. Annual Meeting. The annual meeting of the Shareholders shall be held at such place, on such date, and at such time as the Board of Directors shall each year fix for the purposes of electing Directors and for the transaction of such other business as may come before the meeting. If no place is fixed in accordance with the Bylaws, the place of meeting shall be the principal office of the Corporation in the State of Wisconsin. If the election of Directors is not held on the day designated for any annual meeting of the Shareholders, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the Shareholders as soon thereafter as may be convenient. Failure to hold the annual meeting shall not work a forfeiture or dissolution of the Corporation, and does not affect the validity of any corporate action.

SECTION 2. Special Meetings. Special meetings of the Shareholders, for any purpose, unless otherwise prescribed by law, may be called by the President or the Board of Directors, and shall be called by the President at the request of Shareholders owning, in the aggregate, not less than twenty-five percent (25%) of all the outstanding shares of the Corporation entitled to cast on any issue proposed to be considered at the proposed special meeting, provided that such Shareholders deliver a signed and dated written demand to the Corporation, describing the purpose(s) for which the meeting is to be held.

SECTION 3. Place of Meeting. The President may designate any place, either within or without the State of Wisconsin, as the place of meeting for any annual meeting or for any special meeting called by the Board of Directors. If no designation is made, or if a special meeting is otherwise called, the place of meeting shall be the principal office of the Corporation in the State of Wisconsin. Any meeting may be adjourned to reconvene at any place designated by vote of a majority of the shares represented at the meeting.

SECTION 4. Notice of Meeting. Written notice stating the place, day and hour of the meeting, and, in case of a special meeting, the purpose for which the meeting is called, shall be delivered not less than ten (10) days (unless a longer period is required by law) nor more than sixty (60) days before the date of the meeting, by or at the direction of the President or the Secretary, to each Shareholder of record entitled to vote at the meeting. Notice may be given personally, by telephone, telegraph, teletype, facsimile or other form of wire or wireless communication, or by mail or private carrier and, if these forms of personal notice are impracticable, notice may be communicated by a newspaper of general circulation in the area where published, or by radio, television or other form of public broadcast communication. If mailed, the notice shall be deemed to be delivered when deposited in the United States mail, addressed to the Shareholder at his or her address as it appears on the stock record books of the Corporation, postage prepaid.

Written notice to Shareholders of record, if in a comprehensible form, is effective as to each Shareholder when mailed, if mailed to the Shareholder's address shown in the Corporation's current record of Shareholders. If three successive notices mailed to the last-known address of any Shareholder of record are returned as undeliverable, no further notice shall be necessary, until another address for each Shareholder is made known to the Corporation. Oral notice is effective when communicated.

SECTION 5. Notice of Meeting Upon Adjournment. When a meeting is adjourned to another date, time or place, notice need not be given of the new date, time or place if the new date, time or place are announced at the meeting before adjournment. At the adjourned meeting, the Corporation may transact any business which might have been transacted at the original meeting. If a new record date for the adjourned meeting is fixed, a notice, meeting the requirements of Article I, Section 4, of the adjourned meeting shall be given to each Shareholder of record entitled to vote at the meeting.

SECTION 6. Quorum; Manner of Acting. Shares entitled to vote as a separate voting group may take action on a matter at a meeting only if a quorum of those shares exists with respect to that matter. Except as otherwise provided by law, the Articles of Incorporation or these Bylaws, a majority of the outstanding shares of the Corporation entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of Shareholders and a majority of votes cast at any meeting at which a quorum is present shall be decisive of any motion, except that each Director shall be elected by a plurality of the votes cast by the shares entitled to vote. Though less than a quorum of the outstanding shares are represented at a meeting, a majority of the shares so represented may adjourn the meeting from time to time without further notice. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the original meeting. Once a share is represented for any purpose at a meeting, other than for the purpose of objecting to holding the meeting or transacting business at the meeting, but including the purpose of determining that a quorum exists, it is deemed present for quorum purposes for the remainder of the meeting and for any adjournment of that meeting unless a new record date is set or shall be set for that adjourned meeting.

SECTION 7. Closing of Transfer Books or Fixing of Record Date. For the purpose of determining Shareholders entitled to notice of or to vote at any meeting of Shareholders or any adjournment thereof, or Shareholders entitled to receive payment of any dividend, or in order to make a determination of Shareholders for any other proper purpose, the Board of Directors may provide that the stock transfer books shall be closed for a stated period but not to exceed, in any case, seventy (70) days. If the stock transfer books shall be closed for the purpose of determining Shareholders entitled to notice of or to vote at a meeting of Shareholders, such books shall be closed for at least ten (10) days immediately preceding such meeting. In lieu of closing the stock transfer books, the Board of Directors may fix in advance a date as the record date for any such determination of Shareholders, such date in any case to be not more than seventy (70) days and, in case of a meeting of Shareholders, not less than ten (10) days prior to the date on which the

particular action, requiring such determination of Shareholders, is to be taken. If the stock transfer books are not closed and no record date is fixed for the determination of Shareholders entitled to notice of or to vote at a meeting of Shareholders, or Shareholders entitled to receive payment of a dividend, the close of business on the date next preceding the date on which notice of the meeting is mailed or the date on which the resolution of the Board of Directors declaring such dividend is adopted, as the case may be, shall be the record date for such determination of Shareholders. When a determination of Shareholders entitled to vote at any meeting of Shareholders has been made as provided in this section, such determination shall be applied to any adjournment of the meeting except where the determination has been made through the closing of the stock transfer books and the stated period of closing has expired, or where the Board of Directors fixes a new record date, which it shall do if the meeting is adjourned to a date more than 120 days after the date fixed for the original meeting.

SECTION 8. Proxies. At all meetings of Shareholders, a Shareholder entitled to vote may vote by proxy appointed in writing by the Shareholder or by his or her duly authorized attorney in fact. Proxies shall be filed with the Secretary of the Corporation before or at the time of the meeting. The appointment of proxy is not effective against the Corporation until the appointment is received by the Corporation. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy. A proxy may be revoked at any time before it is voted, either by written notice filed with the Secretary of the Corporation or the acting secretary of the meeting, or by oral notice given by the Shareholder to the presiding Officer during the meeting. However, a proxy may not be revoked if the appointment form conspicuously states that it is irrevocable and the appointment is coupled with an interest, unless otherwise revocable by law. The Board of Directors shall have the power and authority to make rules establishing presumptions as to the validity and sufficiency of proxies. Proxies may be subject to the examination by any Shareholder at the meeting, and all proxies shall be filed and preserved.

SECTION 9. Voting of Shares. Each outstanding share entitled to vote shall be entitled to one (1) vote upon each matter submitted to a vote at a meeting of Shareholders, except to the extent that the voting rights of the shares of any class or classes are limited or denied by the Articles of Incorporation.

SECTION 10. Voting of Shares by Certain Shareholders. Shares held by another corporation, if the majority of the shares entitled to vote for the election of directors of such other corporation is held by the Corporation, shall not be voted at any meeting or counted in determining the total number of outstanding shares at any given time. Shares standing in the name of another corporation may be voted either in person or by proxy, by the president of such corporation or any other officer appointed by such president. A proxy executed by any principal officer of such other corporation or assistant thereto shall be conclusive evidence of the signer's authority to act, in the absence of express notice to this Corporation, given in writing to the Secretary of this Corporation, of the designation of some other person by the board of directors or the bylaws of such other corporation.

SECTION 11. Acceptance of Instruments Showing Shareholder Action. If the name signed on a vote, consent, waiver or proxy appointment corresponds to the name of a Shareholder, the Corporation, if acting in good faith, may accept the vote, consent, waiver or proxy appointment and give it effects as the act of the Shareholder. If the name signed on a vote, consent, waiver or proxy appointment does not correspond to the name of its Shareholder, the Corporation may accept the vote, consent, waiver, or proxy appointment and give it effect as the act of the Shareholder if any of the following apply:

(1) The Shareholder is an entity and the name signed purports to be that of an officer or agent of the entity.

(2) The name signed purports to be that of a personal representative, administrator, executor, guardian or conservator representing the Shareholder and, if the Corporation requests, evidence of fiduciary status acceptable to the Corporation is presented with respect to the vote, consent, waiver or proxy appointment.

(3) The name signed purports to be that of a receiver or trustee in bankruptcy of the Shareholder and, if the Corporation requests, evidence of this status acceptable to the Corporation is presented with respect to the vote, consent, waiver or proxy appointment.

(4) The name signed purports to be that of a pledgee, beneficial owner, or attorney-in-fact of the Shareholder and, if the Corporation requests, evidence acceptable to the Corporation of the signatory's authority to sign for the Shareholder is represented with respect to the vote, consent, waiver or proxy appointment.

(5) Two or more persons are the Shareholder as co-tenants or fiduciaries and the name signed purports to be the name of at least one of the co-owners and the person signing appears to be acting on behalf of all co-owners.

The Corporation may reject a vote, consent, waiver or proxy appointment if the Secretary of the Corporation has reasonable basis for doubt about the validity of the signature on it or about the signatory's authority to sign for the Shareholder.

SECTION 12. Waiver of Notice by Shareholders. Whenever any notice is required to be given to any Shareholder of the Corporation under the Articles of Incorporation, these Bylaws or any provision of law, a waiver of such notice, in writing, signed at any time (whether before or after the time of meeting) by the Shareholder entitled to such notice, and delivered to the Corporation for inclusion in the corporate records, shall be deemed equivalent to the giving of such notice. A waiver with respect to any matter of which notice is required under any provision of Chapter 180, Wisconsin Statutes, shall contain the same information as would have been required to be included in the notice, except the time and place of meeting. By attending a meeting, in person or by proxy, a Shareholder waives objection to lack of notice or defective notice of such meeting unless the Shareholder, at the beginning of the meeting, objects to the holding of the meeting or the transaction of business at the meeting, and by attending a meeting, a

Shareholder waives objection to consideration at such meeting of a particular matter not within the purpose(s) described in the meeting notice, unless the Shareholder objects to considering the matter when it is presented.

SECTION 13. Voting Record. The Officers or agent having charge of the stock transfer books for shares of the Corporation shall make, by the earlier of ten (10) days before each meeting of Shareholders or two business days after notice of the meeting is given, a complete record of the Shareholders entitled to receive notice of the meeting or any adjournment thereof. The record shall be arranged by voting groups and within each voting group by class or series of shares, (if any), in alphabetical order, with the address of and the number of shares held by each. The record shall be kept on file at the principal office of the Corporation through the meeting or any adjournment thereof, and shall be available for inspection by any shareholder or his agent or attorney, upon written demand, at any time during usual business hours. The record may be copied by any Shareholder or his agent or attorney, upon written demand, at any time during usual business hours. The record may be copied by any Shareholder meeting the requirements of ' 180.1602(2)(b)3 to 5 of the Wisconsin Business Corporation Law or his agent or attorney. The record shall also be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any Shareholder or his agent or attorney during the whole time of the meeting or any adjournment thereof. The original stock transfer books shall be prima facie evidence as to who are the Shareholders entitled to examine such record or transfer books or to vote at any meeting of Shareholders. Failure to comply with these requirements shall not affect the validity of any action taken at any such Shareholders' meeting.

SECTION 14. Chairman. The Chairman of the Board, or in his absence, the President of the Corporation, or in his absence, the senior Vice President, shall act as Chairman at all meetings of the Shareholders.

SECTION 15. Action by Shareholders Without a Meeting. Any action required to be taken at a meeting of the Shareholders or any action which may be taken at a meeting of the Shareholders may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Shareholders entitled to vote with respect to the subject matter thereof. Any Shareholder who has signed a writing describing and consenting to action taken pursuant to this section may revoke such consent by a writing signed by the Shareholder describing the action and stating that the Shareholder's prior consent thereto is revoked, if such writing is received by the Corporation before the effectiveness of the action.

ARTICLE III. BOARD OF DIRECTORS

SECTION I. General Powers. All corporate powers shall be exercised by or under the authority of, and the business and affairs of the Corporation shall be managed under the direction of its Board of Directors; except as otherwise provided by the Wisconsin Business Corporation Law, the Articles of Incorporation or these Bylaws.

SECTION 2. Number of Directors. The number of Directors of the Corporation shall be not less than three (3) nor more than eleven (11), the exact number of Directors to be determined from time to time by resolution adopted by a majority of the entire Board of Directors, and such exact number shall be eight (8) until otherwise determined by resolution adopted by a majority of the entire Board of Directors. As used in this Section, "entire Board of Directors" means the total number of Directors which the Corporation would have if there were no vacancies. Whenever the authorized number of Directors is increased between annual meetings of the Shareholders, a majority of the Directors then in office shall then have the power to elect such new Directors for the balance of a term and until their successors are elected and qualified. Any decrease in the authorized number of Directors shall not become effective until the expiration of the term of the Directors then in office unless, at the time of such decrease, there shall be vacancies on the Board which were being eliminated by the decrease.

SECTION 3. Election and Term. The Directors shall be elected by the Shareholders at the regular annual meeting of Shareholders. Each Director shall hold office until the next annual meeting of Shareholders and until his or her successor has been elected or until his or her death, resignation or removal in the manner provided in this Article. The persons receiving the greatest number of votes shall be the persons elected.

The Board of Directors shall be divided into three (3) classes as nearly equal in number as possible, with the term of office of one class expiring each year. Directors of the first class (Class I) shall be elected to hold office for a term expiring at the next succeeding annual meeting, directors of the second class (Class II) shall be elected to hold office for a term expiring at the second succeeding annual meeting and directors of the third class (Class III) shall be elected to hold office for a term expiring at the third succeeding annual meeting. Subject to the foregoing, at each annual meeting of shareholders, directors chosen to succeed those terms then expired shall be elected for a term of office expiring at the third succeeding annual meeting of shareholders after their election, so that the term of one class of directors shall expire each year.]

At each annual meeting the shareholders shall elect directors to replace those whose terms expire on such date and each director shall serve a three (3) years term or until his or her successor is elected and qualified

SECTION 4. Regular Meetings. The Board of Directors may provide, by resolution, the time and place, either within or without the State of Wisconsin, for the holding of regular meetings of the Board of Directors without other notice than such resolution.

SECTION 5. Special Meetings. Special meetings of the Board of Directors may be called at any time by or at the request of the President, and shall be called at the request of three or more Directors. The person or persons authorized to call special meetings of the Board of Directors may

fix any place, either within or without the State of Wisconsin, as the place for holding any special meeting of the Board of Directors called by them.

SECTION 6. Notice. Notice of any special meeting shall be given at least forty-eight (48) hours in advance of the meeting by written notice delivered personally or mailed to each Director at his or her business address. Notice may also be given by telegraph, teletype, electronically transmitted facsimile, electronic mail or private carrier. If mailed, the notice shall be deemed to be delivered when deposited in the United States mail so addressed with postage prepaid. If notice is given by telegram, it shall be deemed to be delivered when the telegram is delivered to the telegraph company. Any Director may waive notice of any meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

SECTION 7. Waiver of Notice. A Director may waive any notice of a meeting before or after the time and date of the meeting stated in the notice. Except as provided below, the waiver shall be in writing and shall be signed by the Director. Such waiver shall be delivered to the Secretary for filing with the corporate records, but such delivery and filing shall not be conditions of the effectiveness of the waiver.

The attendance or participation of a Director at a meeting constitutes a waiver of notice of such meeting, except where a Director objects at the beginning of the meeting or upon his later arrival to the holding of the meeting or the transacting of any business because of lack of or defective notice, and does not thereafter vote for or assent to action taken at the meeting.

SECTION 8. Quorum. Except as otherwise provided by law, the Articles of Incorporation, or these Bylaws, 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, but a majority of the Directors present (though less than such quorum) may adjourn the meeting from time to time without further notice.

SECTION 9. Participation in Meetings By Conference Telephone. Members of the Board of Directors, or of any committee of the Board, may participate in a meeting of such Board or committee by means of conference telephone or similar communication equipment by which all persons participating in the meeting can simultaneously hear each other and such participation shall constitute presence in person at such meeting. All participating Directors shall be informed that a meeting is taking place at which official business may be transacted by conference telephone or similar communication equipment. Outside directors will not receive compensation for meetings attended by Conference Telephone.

SECTION 10. Manner of Acting. The act of the majority of the Directors then in office shall be the act of the Board of Directors, unless the act of a greater number is required by law, the Articles of Incorporation, or these Bylaws.

SECTION 11. Removal and Resignation. Any Director may be removed, with or without cause, at any meeting of the Shareholders by the affirmative vote of a majority of the outstanding shares entitled to vote for the election of such Director, taken at a special meeting of Shareholders called for that purpose. The meeting notice shall state that the purpose, or one of the purposes, of the meeting is removal of the Director. A Director may resign at any time by delivering his or her written resignation to the Corporation, its Board of Directors or the Chairman of the Board, which resignation shall take effect upon delivery, unless the notice specifies a later effective date.

Any director elected or appointed by the shareholders or the Board of Directors may be removed by affirmative vote of two-thirds (2/3) of the remaining members of the Board of Directors when in its judgment the best interests of the corporation will be served by such removal.

SECTION 12. Vacancies. Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining Directors though less than a quorum of the Board of Directors or by an election at any annual meeting or at a special meeting of Shareholders called for that purpose. A director elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office. A Director elected by the Shareholders to fill a vacancy shall be elected for the unexpired term of his predecessor in office. Any directorship to be filled by reason of any increase in the number of Directors shall be filled by the affirmative vote of a majority of the Directors then in office or by an election at any annual meeting or at a special meeting of Shareholders called for that purpose.

Notwithstanding the above paragraph, if the vacant office was held by a Director elected by a voting group of Shareholders, then, if one or more of the remaining Directors were elected by the same voting group, only such Directors are entitled to vote to fill the vacancy if it is filled by Directors, and they may do so by the affirmative vote of a majority of such Directors remaining in office; and only the holders of shares of that voting group are entitled to vote to fill the vacancy if it is filled by the Shareholders.

SECTION 13. Compensation. The Board of Directors, irrespective of any personal interest of any of its members, may establish reasonable compensation of all Directors for services to the Corporation as Directors, Officers or otherwise, or may delegate such authority to an appropriate committee. The Board of Directors also shall have authority to provide for, or to delegate authority to, an appropriate committee to provide for reasonable pensions, disability or death benefits, and other benefits or payments, to Directors, Officers and employees and to their estates, families, dependents, or beneficiaries on account of prior services rendered to the Corporation. Nothing herein contained shall be construed to preclude any Director from serving the Corporation in any capacity as an Officer, employee, agent or otherwise and receiving compensation therefore.

SECTION 14. Presumption of Assent. The assent of a Director of the Corporation who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be entered in the minutes of the meeting unless: (a) he objects at the beginning of such

meeting to the holding of the meeting or the transacting of business at the meeting and does not thereafter vote for or assent to any action taken at the meeting; (b) he dissents or abstains from an action taken and minutes of the meeting are prepared that show his dissent or abstention from the action taken; (c) he gives written notice of his dissent or abstention as to such action to the presiding officer of the meeting before the adjournment thereof, or to the Secretary of the Corporation promptly after the adjournment of the meeting; or (d) he dissents or abstains from an action taken, minutes of the meeting are prepared that fail to show his dissent or abstention from the action taken and he delivers to the Corporation a written notice of that failure promptly after receiving the minutes. Such right to dissent or abstain shall not apply to a Director who voted in favor of such action.

SECTION 15. Committees. The Board of Directors may by resolution adopted by a majority of all Directors in office when the action is taken, create one or more committees, appoint members of the Board of Directors to serve on the committees and designate other members of the Board of Directors to serve as alternates. Each committee shall have two (2) or more members. The Board of Directors may provide by resolution that any vacancies on the committee shall be filled by the affirmative vote of a majority of the remaining committee members. To the extent specified by the Board of Directors in the resolution or in the Articles of Incorporation or these Bylaws, each committee may exercise the authority of the Board of Directors, except that a committee may not do any of the following:

- (1) Authorize distributions.
- (2) Approve or propose to Shareholders action that the Wisconsin Business Corporation Law required be approved by Shareholders.
- (3) Fill vacancies on the Board of Directors or, except as provided above, on any of its committees.
- (4) Amend Articles of Incorporation under ' 180.1002 of the Wisconsin Business Corporation Law.
- (5) Adopt, amend or repeal these Bylaws.
- (6) Approve a plan of merger not requiring Shareholder approval.
- (7) Authorize or approve reacquisition of shares, except according to a formula or method prescribed by the Board of Directors.
- (8) Authorize or approve the issuance or sale or contract for sale of shares, or determine the designation and relative rights, preferences and limitations of a class or series of shares, except that the Board of Directors may authorize a committee or a senior executive Officer of the Corporation to do so within limits prescribed by the Board of Directors.

Unless otherwise provided by the Board of Directors in creating the committee, a committee may employ counsel, accountants and other consultants to assist it in the exercise of authority.

SECTION 16. Informal Action Without Meeting. Any action required or permitted by the Articles of Incorporation, these 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, is signed by all of the Directors then in office. The consent shall be delivered to the Secretary for inclusion in the minutes or for filing with the corporate records. Action taken without a meeting is effective when the last Director signs the consent, unless the consent specifies a different effective date. Action taken without a meeting has the effect of a unanimous vote taken at a meeting at which all Directors were present, and may be described as such in any document.

SECTION 17. Director Conflicts of Interest.

(1) As used in this Section 17, "conflict of interest transaction" means a transaction with the Corporation in which a Director of the Corporation has a direct or indirect interest.

(2) A conflict of interest transaction is not voidable by the Corporation solely because of the Director's interest in the transaction if any of the following is true:

(a) The material facts of the transaction and the Director's interest were disclosed or known to the Board of Directors or a committee thereof, and the Board of Directors or the committee authorized, approved or specifically ratified the transaction under ' 180.0831(4) of the Wisconsin Business Corporation Law.

(b) The material facts of the transaction and the Director's interest were disclosed or known to the Shareholders entitled to vote and they authorized, approved or specifically ratified the transaction under ' 180.0831(5) of the Wisconsin Business Corporation Law.

(c) The transaction was fair to the Corporation.

(3) For purposes of this Section 17, the circumstances in which a Director of the Corporation has an indirect interest in a transaction include, but are not limited to, a transaction under any of the following circumstances:

(a) Another entity in which the Director has a material financial interest or in which the Director is a general partner is a party to the transaction.

(b) Another entity of which the Director is a director, officer, or trustee, is a party to the transaction, and the transaction is or, because of its significance to the Corporation, should be considered by the Board of Directors of the Corporation.

SECTION 18. Loans to Directors.

(1) Except as provided in Section 18(2) below, the Corporation may not lend money to or guarantee the obligation of a Director of the Corporation unless any of the following occurs:

(a) The particular loan or guarantee is approved by a majority of the votes represented by the outstanding voting shares of all classes, voting as a single voting group, except the votes of shares owned by or voted under the control of the benefited Director.

(b) The Corporation's Board of Directors determines that the loan or guarantee benefits the Corporation and either approves the specific loan or guarantee or a general plan authorizing loans and guarantees.

(2) This Section 18 does not apply to an advance to a Director that is permitted by under Section VIII of these Bylaws, or that is made to defray expenses incurred by the Director in the ordinary course of the Corporation's business.

SECTION 19. Sale, Mortgage or Lease of Assets. The sale, lease or other disposition of all or substantially all of the property and assets of the Corporation in the usual and regular course of its business and the mortgage or pledge of, the creation of security interests in, or any other dedication to the repayment of indebtedness of any or all property of the Corporation, whether with or without recourse and whether or not in the usual and regular course of business, and the transfer of any or all of its property of a domestic corporation all the shares of which are owned, directly or indirectly, by the Corporation, may be made upon such terms and conditions and for such consideration, as are determined by the Board of Directors; and in any such case, approval by the shareholders shall not be required.

ARTICLE IV. OFFICERS

SECTION 1. Number, Election and Term of Office. The principal Officers of the Corporation shall number at least one (1), and shall consist of a President, one (1) or more Vice Presidents, a Secretary and a Treasurer, each of whom shall be natural persons of the age of 18 years or older and elected or appointed by the Board of Directors. The Board of Directors or such Officers as are duly elected or appointed for such purpose by the Board of Directors may elect or appoint such other Officers and assistant officers and agents, including one or more vice presidents, assistant secretaries, assistance treasurers and such other subordinate Officers as may be deemed necessary. Any two or more offices may be held by the same person. Each Officer shall hold office until the next annual meeting of Shareholders and his or her successor shall have been duly elected or appointed or until his or her death or until he or she resigns or is removed in the manner provided below.

SECTION 2. 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 best interests of the Corporation will be served thereby. Any such removal shall be without prejudice to the contract

rights, if any, of the person being removed. Election or appointment shall not of itself create contract rights.

SECTION 3. Vacancies. A vacancy in any principal office because of death, resignation, removal, disqualification, or otherwise, shall be filled by the Board of Directors.

SECTION 4. President. The President shall be the principal executive officer of the Corporation 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 Shareholders and of the Board of Directors. The President shall have authority, subject to such rules as may be prescribed by the Board of Directors, to appoint such agents and employees of the Corporation as he shall deem necessary, to prescribe their powers, duties and compensation, and to delegate authority to them. Such agents and employees shall hold office at the discretion of the President. The President shall have authority to sign, execute, and acknowledge, on behalf of the Corporation, all deeds, mortgages, bonds, stock certificates, contracts, leases, reports, and all other documents or instruments necessary or proper to be executed in the course of the Corporation's regular business, or which shall be authorized by resolution of the Board of Directors. Except as otherwise provided by law or the Board of Directors, the President may authorize any Vice President or other Officer or agent of the Corporation to sign, execute, and acknowledge such documents or instruments in his place and stead. In general, the President shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

SECTION 5. The Vice President. In the case of the removal of the President from office, or death or resignation, the powers and duties of the office shall devolve upon the Vice President, who shall perform all duties of the office until a meeting of the Directors is held and a President is elected. The Board of Directors shall empower a Vice President to discharge the duties of the President in the event of absence or disability of the President. In general, the Vice President shall perform all duties incident to the office of Vice President and such other duties as may be prescribed by the Board of Directors and the President from time to time.

SECTION 6. The Secretary. The Secretary shall attend all sessions of the Board of Directors and all meetings of the Shareholders and record all votes and the minutes of all proceedings in a book or books to be kept for that purpose. The Secretary shall keep a record of all actions taken by the Shareholders or Board of Directors without a meeting, and a record of all actions taken by a committee of the Board of Directors on behalf of the Corporation. They shall cause due notice to be given of all meetings of the Shareholders, Board of Directors, or any committee of the Board of Directors, and shall keep a record of all waivers of notices of such meetings. They shall keep in safe custody the corporate records of the Corporation. They shall maintain a record of the names and addresses of the Corporation's Shareholders, in a form that permits preparation of a list of Shareholders that is arranged by voting group and within each voting group by class or series of shares, that is alphabetical within each class or series, and that shows the address of, and the number of shares of each class and series held by, each Shareholder. They shall keep a copy of any voting trust agreement, along with a copy of the names and addresses of the holders of interests

in the voting trust, the extent of each such holder's interest, the number of shares of stock transferred to the voting trust, and the transfer of interests in the voting trust. Copies of all voting trust information shall be furnished by the trustee of the voting trust. The Secretary shall sign with the President certificates for shares of the Corporation, the issuance of which shall have been authorized by resolution of the Board of Directors. They shall have general charge of the stock transfer books of the Corporation and copies of information concerning voting trusts, if any. They shall in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to them by the President or by the Board of Directors.

SECTION 7. The Treasurer. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his or her duties in such sum and with such surety or sureties as the Board of Directors shall determine. The Treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the Corporation; 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 or other depositories as shall be selected in accordance with the provisions of Article V of these Bylaws; and (b) in general, perform all of the duties incident to the office of Treasurer and have such other duties and exercise such other authority as from time to time may be delegated or assigned to the Treasurer by the President or by the Board of Directors.

SECTION 8. Compensation. The compensation of the Officers shall be fixed from time to time by the Board of Directors and no Officer shall be prevented from receiving such compensation by reason of the fact that he or she is also a Director of the Corporation. Election or appointment of an Officer or agent shall not of itself create contract rights.

ARTICLE V. 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 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 may be contracted on behalf of the Corporation and no evidences of indebtedness may 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.

SECTION 5. Voting of Securities Owned by this Corporation. Subject always to the specific directions of the Board of Directors, (a) any shares or other securities issued by any other corporation and owned or controlled by this Corporation may be voted at any meeting of security holders of such other corporation by the President of this Corporation if he be present, or, in his absence, by the Vice President of this Corporation, and (b) whenever, in the judgment of the President, or in his absence, the Vice President, it is desirable for this Corporation to execute a proxy or written consent in respect to any shares or other securities issued by any other corporation and owned by this Corporation, such proxy or consent shall be executed in the name of this Corporation by the President or Vice President of this Corporation, without necessity of any authorization by the Board of Directors or countersignature or attestation by another Officer. Any person or persons designated in the manner above stated as the proxy or proxies of this Corporation shall have full right, power, and authority to vote the shares or other securities issued by such other corporation and owned by this Corporation the same as such shares or other securities might be voted by this Corporation.

ARTICLE VI. CERTIFICATES FOR SHARES AND THEIR TRANSFER

SECTION I. Certificates for Shares. Certificates representing shares of the Corporation shall be in such form as shall be determined by the Board of Directors. Each certificate representing shares shall state upon the face thereof:

- (1) The name of the Corporation and that the Corporation is organized under the laws of the State of Wisconsin;
- (2) The name of the person to whom issued;
- (3) The number and class of shares and the designation of the series, if any, the certificate represents;
- (4) Conspicuously on the front or the back, any restrictions imposed by the Corporation upon the transfer of the shares represented by the Certificate; and
- (5) Conspicuously on the front or back, a full statement of the designations, preferences, limitations and relative rights of the shares of each class and the variations in preferences, limitations and rights determined for each series, authorized to be issued by the Articles of Incorporation, or a statement that the Corporation will furnish the Shareholder with such information on request, in writing and without charge.

Each certificate shall be signed, manually or by facsimile, by the President and by the Secretary. If the person who signed a share certificate no longer holds office when the certificate

is issued, the certificate is nonetheless valid. All certificates for shares shall be consecutively numbered or otherwise identified. The name and address of the person to whom the shares represented thereby are issued, with the number of shares and date of issue, shall be entered on the stock transfer books of the Corporation. All certificates surrendered to the Corporation for transfer shall be canceled and no new certificates shall be issued until the former certificates for a like number of shares shall have been surrendered and canceled, except that in case of a lost, destroyed, or mutilated certificate a new one may be issued therefor upon such terms and indemnity to the Corporation as the Board of Directors may prescribe.

SECTION 2. Transfer of Shares. Transfer of shares of the Corporation shall be made only on the stock transfer books of the Corporation by the holder of record or by his or her legal representative, who shall furnish proper evidence of authority to transfer, or by the holder's attorney authorized by power of attorney duly executed and filed with the Secretary of the Corporation, and on surrender for cancellation of the certificate for such shares. The person in whose name shares stand on the books of the Corporation shall be deemed by the Corporation to be the owner thereof for all purposes.

SECTION 3. Lost, Destroyed or Stolen Certificates. Where the owner claims that his or her certificate for shares has been lost, destroyed or wrongfully taken, a new certificate shall be issued in place thereof if the owner (a) so requests before the Corporation has notice that such shares have been acquired by a bona fide purchaser, (b) files with the Corporation a sufficient indemnity bond, and (c) satisfies such other reasonable requirements as the Board of Directors may prescribe.

SECTION 4. Consideration for Shares. The shares of the Corporation may be issued for such consideration as shall be fixed from time to time by the Board of Directors. The consideration to be paid for shares may be paid in whole or in part in money, in other property, tangible or intangible, promissory notes, shares of stock of another corporation, contracts for services to be performed for the Corporation, or in labor or services actually performed for the Corporation. When payment of the consideration for which shares are to be issued shall have been received by the Corporation, such shares shall be deemed to be fully paid and nonassessable by the Corporation, except as required by law. No certificate shall be issued for any share until such share is fully paid.

SECTION 5. Stock Regulations. The Board of Directors shall have the power and authority to make all such further rules and regulations not inconsistent with the statutes of the State of Wisconsin as it may deem expedient concerning the issue, transfer and registration of certificates representing shares of the Corporation.

ARTICLE VII. LIABILITY OF DIRECTORS AND OFFICERS

SECTION 1. Liability of Directors. No Director shall be liable to the Corporation, its Shareholders, or any person asserting rights on behalf of the Corporation or its Shareholders, for damages, settlements, fees, fines, penalties, or other monetary liabilities arising from a breach of,

or a failure to perform, any duty resulting solely from his or her status as a Director of the Corporation (or from his or her status as a director, officer, partner, trustee, member of any governing or decision-making committee, employee or agent of another corporation or foreign corporation, partnership, joint venture, trust or other enterprise, including service to an employee benefit plan, which capacity the Director is or was serving in at the Corporation's request while a Director of the Corporation) to the fullest extent not prohibited by law, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent such amendment permits the Corporation to further limit or eliminate the liability of a Director than the law permitted the Corporation to provide prior to such amendment); provided, however, that this limitation on liability shall not apply where the breach or failure to perform constitutes (a) a willful failure to deal fairly with the Corporation or its Shareholders 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 or her conduct was lawful or no reasonable cause to believe his or her conduct was unlawful; (c) a transaction from which the Director derived an improper personal benefit; or (d) willful misconduct.

SECTION 2. Liability of Officers. No Officer shall be liable to the Corporation for any loss or damage suffered by it on account of any action taken or omitted to be taken by him or her as an Officer of the Corporation (or as an officer, director, partner, trustee, member of any governing or decision-making committee, employee or agent of another corporation or foreign corporation, partnership, joint venture, trust or other enterprise, including service to an employee benefit plan, which capacity the Officer is or was serving in at the Corporation's request while being an Officer of the Corporation) in good faith, if such person (a) exercised and used the same degree of care and skill as a prudent person would have exercised or used under the circumstances in the conduct of his or her own affairs, or (b) took or omitted to take such action in reliance upon information, opinions, reports or statements prepared or presented by: (1) an Officer or employee of the Corporation whom the Officer believed in good faith to be reliable and competent in the matters presented, or (2) legal counsel, public accountants and other persons as to matters the Officer believed in good faith were within the person's professional or expert competence.

ARTICLE VIII. INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS; INSURANCE

SECTION 1. Definitions. As used in this Article VIII, the following terms shall have the definitions stated:

(1) "Corporation" includes any domestic or foreign entity that is a predecessor of the Corporation by reason of a merger or other transaction in which the predecessor's existence ceased upon consummation of the transaction.

(2) "Director or Officer" means an individual who is or was a Director or Officer of the Corporation, and an individual who, while a Director or Officer of the Corporation, is or was serving at the Corporation's request as a director, officer, partner, trustee, member of any governing or decision-making committee, manager, employee, or agent of any other foreign or domestic

corporation, limited liability company, partnership, joint venture, trust or other enterprise, or employee benefit plan. A Director or Officer shall be considered to be serving an employee benefit plan at the Corporation's request if his duties to the Corporation also impose duties on or otherwise involve services by him to the plan or to participants in or beneficiaries of the plan. "Director or Officer" includes, unless the context otherwise requires, the estate or personal representative of a Director or Officer.

(3) "Expenses" includes attorneys fees.

(4) "Liability" means an obligation to pay a judgment, settlement, penalty, assessment, forfeiture, fine (including an excise tax assessed with respect to an employee benefit plan) or reasonable expense incurred with respect to a proceeding.

(5) "Official Capacity" means, when used with respect to a Director, the office of Director in the Corporation, and, when used with respect to an individual other than a Director, the office in the Corporation held by the Officer or the employment or agency relationship undertaken by the employee, fiduciary or agent on behalf of the Corporation. "Official capacity" does not include service for any other foreign or domestic corporation or for any other person or employee benefit plan.

(6) "Party" includes an individual who was, is or is threatened to be made a named defendant or respondent in a proceeding.

(7) "Proceeding" means any threatened, pending or completed civil, criminal, administrative or investigative action, suit, arbitration or other proceeding, whether formal or informal, which involves foreign, federal, state or local law and which is brought by or in the right of the Corporation or any other person.

SECTION 2. Authority to Indemnify Directors. The Corporation shall indemnify against the liability incurred in any proceeding an individual who was a party to the proceeding because he is or was a Director or Officer, unless liability was incurred because the Director or Officer breached or failed to perform a duty owed to the Corporation and the breach or failure to perform constitutes one of the following:

(1) A willful failure to deal fairly with the Corporation or its Shareholders in connection with a matter in which the Director or Officer has a material conflict of interest.

(2) A violation of the criminal law, unless the Director or Officer had reasonable cause to believe that his or her conduct was lawful or no reasonable cause to believe that his or her conduct was unlawful.

(3) A transaction from which the Director or Officer derived an improper personal profit.

- (4) Willful misconduct.

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 this Section 2. A Director or Officer who seeks indemnification under this Section 2 shall make a written request to the Corporation.

SECTION 3. Mandatory Indemnification. The Corporation shall be required to indemnify a Director or Officer of the Corporation who was wholly successful, on the merits or otherwise, in defense of any proceeding to which he was a party because he was a Director or Officer of the Corporation, against reasonable expenses incurred by him in connection with the proceeding. A Director or Officer who seeks indemnification under this Section 3 shall make a written request to the Corporation.

SECTION 4. Application to Court for Indemnification. A Director or Officer who is or was a party to a proceeding may apply for indemnification to the court conducting the proceeding or to another court of competent jurisdiction. Application shall be made for an initial determination by the court under ' 180.0855(5) of the Wisconsin Business Corporation Law, or for review by the court of an adverse determination under Section 5 of this Article VIII. The court shall make its determination in accordance with ' 180.0854 of the Wisconsin Business Corporation Law.

SECTION 5. Indemnification. The Corporation may not indemnify a Director or Officer under Section 2 of this Article VIII unless authorized in the specific case after a determination has been made that indemnification of the Director or Officer is permissible in the circumstances because he has met the standard of conduct set forth in said Section 2. The Corporation shall not advance expenses to a Director or Officer under Section 2 unless authorized in the specific case after the written affirmation and undertaking required by this Section 5 (1) and (2) are received. The determination required to be made by this Section 5 shall be made:

(1) By the Board of Directors by a majority vote of a quorum, which quorum shall consist of Directors not parties to the proceeding; or

(2) If a quorum cannot be obtained, by a majority vote of a committee of the Board designated by the Board, which committee shall consist of two or more Directors not parties to the proceeding; except that Directors who are parties to the proceeding may participate in the designation of Directors for the committee.

(3) If the quorum cannot be obtained or the committee cannot be established under this Section 5 (1) or (2), above, or even if a quorum is obtained or committee designated if such quorum or committee so directs, the determination required to be made by this Section 5 shall be made by independent legal counsel selected by a vote of the Board of Directors or of the committee in the manner specified in Section 5 (1) or (2) above, or, if a quorum of the full Board cannot be obtained and a committee cannot be established, by independent legal counsel selected by a majority of the full Board or by the Shareholders.

(4) By a panel of three arbitrators consisting of one arbitrator selected in accordance with this Section 5 (3), one arbitrator selected by the Director or Officer seeking indemnification, and one arbitrator selected by the two arbitrators previously selected.

(5) By an affirmative vote of the shares as provided in Article II of these Bylaws. Shares owned by, or voted under the control of, persons who are at the time 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.

Authorization of indemnification, advance of expenses and evaluation as to reasonableness of expenses shall be made in the same manner as the determination that indemnification is permissible; except that, if the determination that indemnification or advance of expenses is permissible is made by independent legal counsel, authorization of indemnification and evaluation as to reasonableness of expenses shall be made by the body that selected said counsel.

In accordance with this Section 5, the Corporation may pay or reimburse expenses incurred by a Director or Officer in connection with his appearance as a witness in a proceeding at a time when he has not been made a named defendant or respondent in the proceeding.

Determinations and authorizations of payments shall be made in the manner specified in this Section 5.

SECTION 6. Allowance of Expenses as Incurred. Upon written request by a Director or Officer who is a party to a proceeding, the Corporation may pay or reimburse his or her reasonable expenses as incurred if the Director or Officer provides the Corporation with all of the following:

(1) A written affirmation of his good-faith belief that he has not breached or failed to perform his duties to the Corporation.

(2) A written undertaking, executed personally or on his or her behalf, to repay the allowance and, if required by the Corporation, to pay reasonable interest on the allowance to the extent that it is ultimately determined under Article VIII, Section 5 that indemnification under Article VIII, Section 2 is not required and that indemnification is not ordered by a court under Article VIII, Section 4. The undertaking under this subsection shall be an unlimited general obligation of the Director or Officer and may be accepted without reference to his or her ability to repay the allowance. The undertaking may be secured or unsecured.

SECTION 7. Indemnification and Allowance of Expenses of Employees and Agents. The Corporation shall indemnify an employee who is not a Director or Officer of the Corporation, to the extent that he or she has been successful on the merits or otherwise in defense of proceeding, for all reasonable expenses incurred in the proceeding if the employee was a party because he or she was an employee of the Corporation.

In addition to the indemnification required by this Section 7, the Corporation may indemnify and allow reasonable expenses of an employee or agent who is not a Director or Officer of the Corporation to the extent provided by the Articles of Incorporation, Bylaws, by general or specific action of the Board of Directors, or by contract.

SECTION 8. Insurance. The Corporation may purchase and maintain insurance on behalf of an individual who is an employee, agent, Director, or Officer of the Corporation against liability asserted against or incurred by the individual in his or her capacity as an employee, agent, Director or Officer arising from his or her status as an employee, agent, Director or Officer, regardless of whether the Corporation is required or authorized to indemnify or allow expenses to the individual against the same liability under these Bylaws or the Wisconsin Business Corporation Law.

SECTION 9. Prohibited Indemnification and Insurance. Notwithstanding any other Section in this Article, the Corporation shall not be required to indemnify and may not purchase and maintain insurance if such indemnification or insurance is prohibited under applicable federal law or regulation, but shall indemnify and may purchase and maintain insurance in accordance with this Article to the extent such indemnification and insurance is not prohibited under applicable federal law or regulation.

SECTION 10. Report to Shareholders. Any indemnification of or advance of expenses to a Director in accordance with these Bylaws, if arising out of a proceeding by or on behalf of the Corporation, shall be reported in writing to the Shareholders with or before the notice of the next Shareholders' meeting.

SECTION 11. Nonexclusive. The provisions provided in these Bylaws with regard to indemnification shall not be construed as a limitation on indemnification. Indemnification shall at all times be allowed to the fullest extent as is now, or in the future, provided for under the Wisconsin Business Corporation Law, including any additional rights permitted by ' 180.0858 thereof.

ARTICLE IX. TRANSACTIONS WITH CORPORATION; DISALLOWED EXPENSE

SECTION 1. Transactions with the Corporation. Except as otherwise provided in these Bylaws, any contract or other transaction between the Corporation and one or more of its Directors, or between the Corporation and any firm of which one or more of its Directors are members or employees, or in which they are interested, or between the Corporation and any corporation or association of which one or more of its Directors are shareholders, members, directors, officers, or employees, or in which they are interested, shall be valid for all purposes, notwithstanding the presence of such Director or Directors at the meeting of the Board of Directors of the Corporation, which acts upon, or in reference to, such contract or transaction, and notwithstanding his or their participation in such action, if the fact of such interest shall be disclosed or known to the Board of Directors and the Board of Directors shall, nevertheless, authorize, approve and ratify such contract or transaction by a vote of a majority of the Directors

present, such interested Director or Directors to be counted in determining whether a quorum is present, but not counted in calculating the majority of such quorum necessary to carry such vote. This Section shall not be construed to invalidate any contract or other transaction which would otherwise be valid under the common and statutory law applicable thereto.

SECTION 2. Reimbursement of Disallowed Expenses. In the event any payment (either as compensation, interest, rent, expense reimbursement or otherwise) to any Officer, Director or Shareholder which is claimed as a deduction by this Corporation for federal income tax purposes shall subsequently be determined not to be deductible in whole or in part by this Corporation, the recipient shall reimburse the Corporation for the amount of the disallowed payment, provided that this provision shall not apply to any expense where the Board, in its sole discretion, determines such disallowance (including any concession of such issue by the Corporation in connection with the settlement of other issues in a disputed case) is manifestly unfair and contrary to the facts. For purposes of this provision, any such payment shall be determined not to be deductible when and only when either (a) the same may have been determined by a court of competent jurisdiction and either the Corporation shall not have appealed from such determination or the time for perfecting an appeal shall have expired or (b) such disallowed deduction shall constitute or be contained in a settlement with the Internal Revenue Service which settlement may have been authorized by the Board of Directors.

ARTICLE X. FISCAL YEAR

The fiscal year of the Corporation shall begin on the 1st day of January and end on the 31st day of December in each year.

ARTICLE XI. DIVIDENDS

The Board of Directors may from time to time declare, and the Corporation may pay, dividends on its outstanding shares in the manner and upon the terms and conditions provided by law and its Articles of Incorporation.

ARTICLE XII. SEAL

The Corporation shall not have a corporate seal, and all formal corporate documents shall carry the designation "No Seal" along with the signature of the Officers.

ARTICLE XIII. AMENDMENT

SECTION 1. By Shareholders. These Bylaws may be altered, amended or repealed and new Bylaws may be adopted by the Shareholders by affirmative vote of not less than a majority of the outstanding shares of the Corporation entitled to vote.

SECTION 2. By Directors. These Bylaws may also be altered, amended or repealed and new Bylaws may be adopted by the Board of Directors by affirmative vote of not less than a majority of

the Directors then in office; but no Bylaw adopted by the Shareholders shall be amended or repealed by the Board of Directors if the Bylaw so adopted so provides.

SECTION 3. Implied Amendments. Any action taken or authorized by the Shareholders which would be inconsistent with the Bylaws then in effect but is taken or authorized by affirmative vote of not less than the number of shares 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 so far, but only so far, as is necessary to permit the specific action so taken or authorized.