

AFFILIATION AGREEMENT
BY AND BETWEEN
BUCKEYE STATE MUTUAL INSURANCE COMPANY
AND
MIDDLE GEORGIA MUTUAL INSURANCE COMPANY
February 18, 2011

EXHIBITS

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Exhibit B	Cost Sharing Agreement
Exhibit C	Initial Buckeye Director Designees and Initial MGM Director Designees

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AFFILIATION AGREEMENT

This Affiliation Agreement (this "Agreement") is entered into as of February 18, 2011, by and between Buckeye State Mutual Insurance Company, an Ohio-domiciled mutual property and casualty insurance company ("BUCKEYE") and Middle Georgia Mutual Insurance Company, a Georgia-domiciled mutual property and casualty insurance company ("MGM").

RECITALS:

WHEREAS, BUCKEYE desires to expand its insurance business within certain Southern states, and BUCKEYE believes that an affiliation with MGM will provide BUCKEYE with a platform for such expansion;

WHEREAS, MGM desires to affiliate with BUCKEYE in order to, among other things, improve its financial strength, obtain access to capital, gain access to improved underwriting and catastrophe analytics, diversify risk, enhance operating efficiencies and expand its insurance product offerings, while at the same time preserving MGM's character, separate corporate status, name and community presence; and

WHEREAS, BUCKEYE and MGM (collectively, the "Parties," or individually, a "Party") desire to affiliate their operations and to do business as affiliated companies in accordance with this Agreement and the transactions contemplated by this Agreement, which transactions include, without limitation, the reconstitution of the MGM board of directors (the "MGM Board") and the integration of their respective insurance operations as set forth in this Agreement.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual agreements and covenants hereinafter set forth, BUCKEYE and MGM hereby agree as follows:

ARTICLE I DEFINITIONS

1.1 Definitions. In this Agreement, the following terms have the meanings specified or referred to in this Section 1.1 and shall be equally applicable to both the singular and plural forms.

"Actuarial Analyses" has the meaning specified in Section 5.17(b).

"Affiliate" means, with respect to any Person, any other Person that directly or indirectly controls, is controlled by or is under common control with such Person.

"Alternative Transaction Proposal" has the meaning specified in Section 7.4(a).

"Applicable Law" means all applicable statutes, laws, ordinances, rules, orders and regulations of any Governmental Entity, including any directives or bulletins from the Georgia Department of Insurance.

"Arbitration Demand" has the meaning specified in Section 11.1(b).

"Arbitrator" has the meaning specified in Section 11.2.

"Benefit Plans" has the meaning specified in Section 5.15(a).

"BUCKEYE 09-2010 Financial Statements" has the meaning specified in Section 6.4.

"BUCKEYE Admitted States" has the meaning specified in Section 6.12(a).

"BUCKEYE Fees and Expenses" has the meaning specified in Section 7.4(b).

"BUCKEYE Financial Statements" has the meaning specified in Section 6.4.

"BUCKEYE Material Adverse Effect" means (A) any result, occurrence, fact, change, event or effect that has a material adverse effect on the business, operations, assets, liabilities, results of operations, cash flows, condition (financial or otherwise) of the business or assets of BUCKEYE or adversely affects the ability of BUCKEYE to consummate the MGM Transactions in any material respect, excluding, however any such effect that arises out of or in connection with or results from: (i) general economic conditions or changes therein (including changes in interest rates); (ii) financial or security market fluctuations or conditions; (iii) changes in, or circumstances or events affecting, the insurance and insurance services industries generally; (iv) the execution and delivery of this Agreement or the consummation of the MGM Transactions contemplated hereby or the announcement thereof; (v) any actions taken, or the failure to take any action, which MGM has requested or to which MGM has consented; (vi) any effect arising out of a change in SAP, GAAP or Applicable Law; (vii) any action by MGM or the MGM Subsidiary; (viii) any omission to act or action taken that is required by this Agreement or that is done with the consent of MGM (including those omissions to act or actions taken which are permitted by this Agreement); or (ix) any failure to meet projections (financial or otherwise), estimates or other predictions, whether published or internal or (B) any decline in the surplus of BUCKEYE of twenty-five percent (25%) or more from the level of such surplus on December 31, 2009; provided, however, that any such event, change or action listed in subsection (A)(i), (A)(ii), (A)(iii) and (A)(vi) does not affect BUCKEYE in a substantially disproportionate manner relative to other businesses in its industry.

"BUCKEYE Organizational Documents" has the meaning specified in Section 6.1(c).

"BUCKEYE Subsidiary" has the meaning specified in Section 6.1(a).

"BUCKEYE" has the meaning specified in the first paragraph of this Agreement.

"Business Day" means any day of the year other than (i) any Saturday or Sunday, or (ii) any other day on which commercial banks located in Miami County, Ohio, and Atlanta, Georgia are generally closed for business.

"Closing Date" has the meaning specified in Section 2.2.

"Closing" has the meaning specified in Section 2.2.

"Code" means the Internal Revenue Code of 1986, as amended.

"Cost Sharing Agreement" has the meaning specified in Section 2.1(a)(iii).

"Current Employees" has the meaning specified in Section 4.8(a).

"Disclosure Schedule" has the meaning specified in the first paragraph of Article V.

"Employment Agreements" has the meaning specified in Section 4.8(b).

"Environmental Law" has the meaning specified in Section 5.9(a).

"ERISA Affiliate" means any person or entity which is considered a single employer with MGM under Section 414 of the Code or Section 4001 of ERISA.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"GAAP" means United States generally accepted accounting principles, consistently applied by the company, in effect at the date of the financial statement to which it refers.

"Governmental Entity" means any foreign, federal, state, local or other government, governmental authority, department, court, commission, tribunal, or anybody exercising or entitled to exercise regulatory, administrative, judicial or arbitral power or authority (including stock exchanges and other regulated securities markets), or any political or other division, subdivision, department or branch of any of the foregoing or anybody exercising or entitled to exercise regulatory, administrative judicial or arbitral power or authority.

"Hetuck" means Hetuck Insurance Agency, an Ohio Corporation.

"Home and Farm Insurance Company" means Home and Farm Insurance Company, an Indiana Corporation.

"H&F Agency" means Home and Farm Insurance Agency, an Indiana Corporation.

"Indemnified D&O Parties" has the meaning specified in Section 3.1(d)(i).

"Indemnified Parties" has the meaning specified in Section 3.1(d)(iii).

"Initial BUCKEYE Director Designees" has the meaning specified in Section 3.1(a)(ii).

"Initial MGM Director Designees" has the meaning specified in Section 3.1(a)(iii).

"Insurance Contracts" has the meaning specified in Section 5.17(a).

"Intellectual Property Contracts" has the meaning specified in Section 5.22(b).

"Intellectual Property" has the meaning specified in Section 5.22(a).

"Knowledge of BUCKEYE" or any similar phrase means the actual knowledge of R. Douglas Haines and/or Robert E. Bornhorst.

"Knowledge of MGM" or any similar phrase means the actual knowledge of Terry Gordy and/or Seth Gordy.

"License" means any license, certificate of authority, permit or other authorization to transact an activity or business, whether granted by a Governmental Entity or by any other Person.

"Lien" means any encumbrance, mortgage, lien (except for any lien for taxes not yet due and payable), charge, restriction, pledge, security interest, option, claim, right of any third party, easement, encroachment or encumbrance.

"Marias" means Marias Technology, Inc., an Ohio Corporation.

"MGM 09-2010 Financial Statements" has the meaning specified in Section 5.4.

"MGM Admitted States" has the meaning specified in Section 5.16(a).

"MGM Agreements" has the meaning specified in Section 5.14.

"MGM Board" has the meaning specified in the recitals of this Agreement.

"MGM Bylaws" means MGM's bylaws as adopted on July 28, 1965 and currently in effect as of the date of this Agreement.

"MGM Charter" means MGM's charter on file with the Georgia Department of Insurance as of the date of this Agreement.

"MGM Financial Statements" has the meaning specified in Section 5.4.

"MGM Material Adverse Effect" means (A) any result, occurrence, fact, change, event or effect that has a material adverse effect on the business, operations, assets, liabilities, results of operations, cash flows, condition (financial or otherwise) of the business or assets of MGM and the MGM Subsidiary, taken as a whole, or on the ability of MGM to consummate the MGM Transactions in any material respect, excluding, however any such effect that arises out of or in connection with or results from: (i) general economic conditions or changes therein (including changes in interest rates); (ii) financial or security market fluctuations or conditions; (iii) changes in, or circumstances or events affecting, the insurance and insurance services industries generally; (iv) the execution and delivery of this Agreement or the consummation of the MGM Transactions contemplated hereby or the announcement thereof; (v) any actions taken, or the failure to take any action, which BUCKEYE has requested or to which BUCKEYE has consented; (vi) any effect arising out of a change in SAP, GAAP or Applicable Law; (vii) any action by BUCKEYE or any of BUCKEYE's Subsidiary; (viii) any omission to act or action taken that is required by this Agreement or that is done with the consent of BUCKEYE (including those omissions to act or actions taken which are permitted by this Agreement); or (ix) any failure to meet projections (financial or otherwise), estimates or other predictions, whether published or internal; or (B) any decline in the surplus of MGM of twenty-five percent (25%) or more from the level of such surplus on December 31, 2009; provided, however, that any such event, change or action listed in subsection (A)(i), (A)(ii), (A)(iii) and (A)(vi) does not affect MGM in a substantially disproportionate manner relative to other businesses in its industry.

"MGM Organizational Documents" has the meaning specified in Section 5.1(c).

"MGM Subsidiary" has the meaning specified in Section 5.1(a).

"MGM Transaction Documents" has the meaning specified in Section 2.1(a).

"MGM Transactions" has the meaning specified in Section 2.1(a).

"MGM" has the meaning specified in the first paragraph of this Agreement.

"Most Recent BUCKEYE Balance Sheet" has the meaning specified in Section 6.4.

"Most Recent MGM Balance Sheet" has the meaning specified in Section 5.4.

"Parties" or **"Party"** has the meaning specified in the recitals of this Agreement.

"Pension Plans" has the meaning specified in Section 5.15(a).

"Person" or **"Persons"** means any natural person, corporation, partnership, limited partnership, Limited Liability Company, trust or other form of entity.

"Pool" has the meaning specified in Section 4.3.

"Pooling Agreement" has the meaning specified in Section 2.1(a)(ii).

"Regulatory Approvals" means receipt of all approvals, consents and authorizations of, and notices, filings and actions taken or made regarding, the transactions contemplated by this Agreement required under applicable state insurance or insurance holding company laws, including without limitation all approvals, consents and authorizations required by the Ohio Department of Insurance, the Indiana Department of Insurance and the Georgia Department of Insurance and any other state insurance regulator whose approval is required to consummate any of the transactions contemplated by this Agreement.

"Reinsurance Agreements" has the meaning specified in Section 5.10.

"SAP" means statutory accounting practices prescribed or permitted by a party's domiciliary insurance regulator.

ARTICLE II THE AFFILIATION

2.1 The Affiliation and Transaction Documents.

(a) As of the Closing, and subject to the terms and conditions of this Agreement and the other MGM Transaction Documents, MGM and BUCKEYE will affiliate their respective insurance businesses and make effective the transactions between MGM and BUCKEYE contemplated by this Agreement, the arrangements between MGM and certain officers and employees pursuant to Section 4.8(b) and the other MGM Transaction Documents (collectively, the "MGM Transactions").

For purposes of this Agreement, the term "MGM Transaction Documents" means and includes, collectively:

- (i) this Agreement;
- (ii) the Reinsurance Pooling Agreement by and between BUCKEYE, MGM, Home and Farm Insurance Company (the "Pooling Agreement") attached

hereto as Exhibit A;

(iii) the Cost Sharing Agreement, by and between BUCKEYE, MGM, Home and Farm Insurance Company (the "Cost Agreement") attached hereto as Exhibit B;

2.2 The Closing. The closing of the MGM Transactions (the "Closing") will take place at a time and place and on a date to be mutually agreed to by MGM and BUCKEYE, but which shall not be later than the fifth Business Day after satisfaction or waiver (by the applicable Party entitled to the benefit thereof and subject to Applicable Law) of all of the conditions set forth in Sections 8.1 and 8.2 (other than those conditions that, by their nature, cannot be satisfied until the Closing Date, but subject to the fulfillment or waiver of those conditions) or at such other time as is agreed to by the Parties, unless this Agreement has been terminated previously pursuant to its terms (the actual time and date of the Closing being referred to herein as the "Closing Date").

ARTICLE III CHANGES TO BOARDS OF DIRECTORS, CHARTER AND BYLAWS

3.1 Reconstitution of the Boards of Directors. On the terms and subject to the conditions set forth in this Agreement:

(a) MGM and MGM Subsidiary Boards.

(i) From and after the Closing Date until termination of this Agreement in accordance with Section 10.3 hereof, the number of members of the MGM Board shall be fixed at five (5), at least one quarter of whom shall be residents of Georgia and the majority of whom are citizens of the United States.

(ii) The MGM Board will appoint the three (3) individuals listed on Exhibit C to this Agreement (the "Initial BUCKEYE Director Designees") for election as directors under the election procedures described in the MGM Bylaws for filling director vacancies and in accordance with Applicable Law. On and after the Closing, until the termination of this Agreement in accordance with Section 10.3 hereof, the MGM Board shall: (i) nominate a director designated by BUCKEYE (a "BUCKEYE Director Designee") to stand for election at each annual meeting of members of MGM at which the term of office of an Initial BUCKEYE Director Designee or BUCKEYE Director Designee, as applicable, expires pursuant to the nomination procedures described in the MGM Bylaws and in accordance with Applicable Law; and (ii) elect a replacement BUCKEYE Director Designee to fill any vacancy created by the resignation, death or disability of an Initial BUCKEYE Director Designee or BUCKEYE Director Designee, as applicable, pursuant to the procedures described in Article IV

Section 4 of the MGM Bylaws and in accordance with Applicable Law.

(iii) The MGM Board will nominate the two (2) individuals listed on Exhibit C to this Agreement (the "Initial MGM Director Designees") for election as directors at the next annual member meeting when the terms of the Initial MGM Director Designees are complete under the election procedures described in the MGM Bylaws and in accordance with Applicable Law. On and after the Closing, until the termination of this Agreement in accordance with Section 10.3 hereof, the MGM Board shall: (i) nominate a director who is designated by MGM management (the "MGM Director Designee") to stand for election at each annual meeting of members of MGM at which the term of office of an Initial MGM Director Designee or MGM Director Designee, as applicable, expires pursuant to the election procedures described in the MGM Bylaws and in accordance with Applicable Law; and (ii) elect a replacement MGM Director Designee to fill any vacancy created by the resignation, death or disability of an Initial MGM Director Designee or MGM Director Designee, as applicable, pursuant to the procedures described in Article IV Section 4 of the MGM Bylaws and in accordance with Applicable Law.

(iv) On or before the Closing Date the current MGM directors who will not continue as one of the two (2) Initial MGM Director Designees shall resign from the MGM Board, such resignations being effective on the Closing Date.

(v) Attached hereto as Exhibit C is a list of the Initial BUCKEYE Director Designees and the Initial MGM Director Designees, together with their class and terms, who will constitute the MGM Board after Closing.

(b) Certain Directors Fees. All MGM Directors shall each receive a fixed sum to be determined by the MGM Board along with the reimbursement of reasonable costs and expenses incurred for their combined services as directors of MGM and any MGM Subsidiary until the termination of this Agreement in accordance with Section 10.3 hereof, and thereafter in such amount as may be determined from time to time by the MGM Board.

(c) MGM Subsidiary. From and after the Closing Date, the provisions set forth in (a) and (b) above with respect to MGM shall equally apply to the MGM Subsidiary, except that no separate or additional retainer or like fee shall apply for the service of a MGM Director as a director of the MGM Subsidiary, as stated in (b) above.

(d) Insurance Coverage; Indemnification.

(i) From and after the Closing, to the extent permitted by Applicable Law, the MGM Charter (including all amendments thereto) and MGM Bylaws (including all amendments thereto) and the charters and Bylaws of the MGM

Subsidiary shall continue to contain provisions no less favorable with respect to indemnification, advancement of expenses and exculpation of each present and former director and officer of MGM and the MGM Subsidiary (collectively, the "Indemnified D&O Parties") than are set forth in the current MGM Charter and the current MGM Bylaws which provisions shall not be amended, repealed or otherwise modified in any manner that would adversely affect the rights thereunder of any such individuals.

(ii) After the Closing, MGM will, to the fullest extent permitted under Applicable Law, indemnify and hold harmless each member of the MGM Board who was not a MGM Board member prior to the Closing, and his or her heirs, executors and assigns (collectively, the "Indemnified Parties") against any costs or expenses (including attorneys' fees), judgments, fines, losses, claims, damages, liabilities and amounts paid in settlement in connection with any claim, action, suit, proceeding or investigation, whether civil, criminal, administrative or investigative, arising out of or pertaining to any action or omission of the MGM Board occurring prior to the Closing. In the event of any such claim, action, suit, proceeding or investigation: (a) any counsel retained by the Indemnified Parties will be reasonably satisfactory to MGM, (b) MGM will pay the reasonable fees and expenses of such counsel, promptly after statements therefor are received; and (c) MGM will cooperate in the defense of any such matter.

(iii) If BUCKEYE, MGM and the MGM Subsidiary or any of their respective successors or assigns shall: (a) merge or consolidate with or merge into any other corporation or entity and shall not be the surviving or continuing corporation or entity of such consolidation or merger; (b) undergo any manner of change in control, whether by affiliation with another entity or otherwise; or (c) transfer all or substantially all of their respective properties and assets as an entity in one or a series of related transactions to any individual, corporation or other entity, then in each such case, proper provisions shall be made so that the successors or assigns of BUCKEYE, MGM or the MGM Subsidiary shall assume all of the obligations set forth in this Section 3.1(d).

ARTICLE IV OPERATIONS

4.1 Affiliation of Operations. On and after the Closing, the Parties shall affiliate their respective business operations in accordance with the terms of the Transaction Documents.

4.2 Cost Sharing Agreement. At Closing, the Parties shall enter into the Cost Sharing Agreement by and between BUCKEYE, MGM and Home and Farm Insurance Company in the form attached hereto as Exhibit B.

4.3 Reinsurance Pooling Agreement. Effective as of April 1, 2011, MGM and Home and Farm Insurance Company shall cede, and the reinsurance pool created by the Pooling Agreement (the "Pool") shall reinsure, one hundred percent (100%) of the direct and assumed insurance business of MGM net of any premium and losses ceded to other insurers or reinsurers, pursuant to the terms of the Pooling Agreement. On or prior to the Closing Date, the Pooling Agreement and such other documents necessary to effectuate such agreement shall have been executed in order for MGM to: (i) become members of the Pool as of April 1, 2011; and (ii) assume such percentages of the collective risks of the Pool as is determined by BUCKEYE from time to time based on premium writings and leverage ratios of MGM relative to the other members of the Pool.

4.4 Modification of BUCKEYE Reinsurance Program. As promptly as reasonably practicable following the Closing Date, BUCKEYE shall use commercially reasonable efforts to amend its current common per risk and catastrophic excess of loss, umbrella and facultative reinsurance treaties to include MGM and the MGM Subsidiary as named reinsureds in such agreements.

4.7 Management. On the Closing Date, the reconstituted MGM Board shall elect the following individuals as the executive officers of MGM: R. Douglas Haines - Chief Executive Officer; Terry R. Gordy - President; Robert E. Bornhorst – Vice President and Treasurer; and Lisa Wesner – Vice President and Secretary.

4.8 Employment Matters.

- a. BUCKEYE agrees to offer, or to cause MGM to offer, employment to all MGM's current employees (the "Current Employees"), with substantially similar duties subject to the normal policies and procedures for BUCKEYE Employees. provided, however, that nothing herein shall be construed either as (i) preventing MGM from making performance-based terminations; or (ii) permitting any involuntary layoff or termination without cause.
- b. BUCKEYE shall cause MGM to honor, the terms of all Benefit Plans; provided, however, that nothing contained herein shall be construed as requiring BUCKEYE or MGM to continue any specific Benefit Plan except as provided by the terms of the applicable Benefit Plan and under any Applicable Law.

ARTICLE V REPRESENTATIONS AND WARRANTIES OF MGM

Except as disclosed in the disclosure schedule hereto (the "Disclosure Schedule") (it being agreed that disclosure of any item in any section or subsection of the Disclosure Schedule shall be deemed disclosure with respect to any other section or subsection to which the

relevance of such disclosure to the applicable representation and warranty is reasonably apparent), MGM hereby represents and warrants to BUCKEYE as of the date of this Agreement as follows:

5.1 Corporate Existence and Power.

(a) Except as set forth in Section 5.1(a) of the Disclosure Schedule, MGM is a mutual property and casualty insurance company duly organized, validly existing and in good standing under the laws of the State of Georgia and has all requisite corporate power, right and authority to own or lease its properties and to carry on its business as now being conducted. Except as set forth in Section 5.1(a) of the Disclosure Schedule, Global Insurance Company is a stock property and casualty insurance company duly organized, validly existing and in good standing under the laws of the State of Georgia and has all requisite corporate power, right and authority to own or lease its properties and to carry on its business as now being conducted. Global Insurance Company is referred to as the "MGM Subsidiary."

(b) Each of MGM and the MGM Subsidiary is duly qualified or otherwise authorized to transact business as a foreign insurer or foreign corporation in the jurisdictions set forth in Section 5.1(b) of the Disclosure Schedule, in every jurisdiction in which such authorization is required by Applicable Law, except where the failure to be so qualified would not, have a MGM Material Adverse Effect.

(c) MGM has made available to BUCKEYE true and correct copies of: (i) the articles of incorporation and Bylaws or equivalent organizational documents (collectively, the "MGM Organizational Documents") of MGM and the MGM Subsidiary each as amended to date, (ii) the minute books of MGM and the MGM Subsidiary, and (iii) the stock ledger of the MGM Subsidiary. The MGM Organizational Documents are in full force and effect. Except as set forth in Schedule 5.1(c) of the Disclosure Schedule, the minute books of MGM and the MGM Subsidiary contain complete copies of all minutes of the board of directors of MGM and the MGM Subsidiary, as applicable, as of the date of this Agreement. Any meeting minutes of the board of directors of MGM or the MGM Subsidiary, or any committee thereof, or of the members of MGM or stockholders of the MGM Subsidiary existing as of the date of this Agreement but not provided to BUCKEYE, for any reason, contain no information that would inform BUCKEYE of the existence of a MGM Material Adverse Effect not otherwise disclosed by MGM if such minutes had been provided.

5.2 Corporate Authorization.

(a) MGM has the corporate right, power and authority to execute and deliver this Agreement and the other MGM Transaction Documents and to consummate the MGM Transactions, subject to receipt of the Regulatory Approvals contemplated by Section 8.1(d) hereof. Except for Regulatory Approvals, no other corporate proceeding or regulatory approval is necessary to authorize this Agreement, the MGM Transaction Documents or the MGM

Transactions. The execution, delivery and performance by MGM of this Agreement and the other MGM Transaction Documents have been duly authorized by the MGM Board.

(b) This Agreement does and the Pooling Agreement and the Cost Sharing Agreement will, upon execution and delivery thereof at Closing, constitute valid and binding agreements of MGM, enforceable against MGM in accordance with their respective terms, except as such enforceability may be limited by (i) bankruptcy, receivership, insolvency, reorganization, moratorium or similar laws affecting or relating to creditors' rights generally and (ii) general principles of equity.

5.3 No Conflict; Consents. Except as set forth in Section 5.3 of the Disclosure Schedule and subject to the receipt of the Regulatory Approvals contemplated by Section 8.1(d) hereof, the execution and delivery of this Agreement by MGM does not, and, the consummation of the MGM Transactions and compliance with the terms hereof will not, conflict with, or result in any violation of or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination, cancellation or acceleration of any obligation or to loss of a benefit under, or result in the creation of any Lien, option, charge or restriction of any kind upon any of the properties or assets of MGM or the MGM Subsidiary under any provision of (i) the MGM Organizational Documents; (ii) any note, bond, mortgage, indenture, deed of trust, license, lease, contract, commitment, agreement or arrangement to which MGM or the MGM Subsidiary is a party or by which any of their respective properties or assets are bound; or (iii) any judgment, order or decree, or statute, law, ordinance, rule or regulation applicable to MGM or the MGM Subsidiary except, in the case of clauses (ii) and (iii) for violations, defaults, terminations, cancellations, accelerations, loss of benefits, creations of liens, options, charges or restrictions that would not, individually or in the aggregate, have a MGM Material Adverse Effect. Except where the failure to make any filing with, or obtain any permit, authorization, consent or approval of any Governmental Entity would not individually or in the aggregate have a MGM Material Adverse Effect, no consent, approval, license, permit, order or authorization of, or registration, declaration or filing with, any Governmental Entity is required to be obtained or made by or with respect to MGM or the MGM Subsidiary in connection with the execution, delivery and performance of this Agreement or the consummation of the MGM Transactions other than the Regulatory Approvals.

5.4 Financial Statements. MGM has previously made available to BUCKEYE true and complete copies of the audited financial statements for each of MGM and the MGM Subsidiary for the years ended December 31, 2008 and 2009 (collectively, the "MGM Financial Statements"). The balance sheets for each of MGM and the MGM Subsidiary dated as of December 31, 2009, included in the MGM Financial Statements are hereinafter collectively referred to as the "Most Recent MGM Balance Sheet." The MGM Financial Statements have been prepared in accordance with SAP or GAAP, as applicable, and fairly present in all material respects the admitted assets, liabilities, results of operations, capital and surplus, and cash flows of MGM and the MGM Subsidiary as of the dates and for the periods then ended. MGM has also made available to BUCKEYE true and complete copies of the financial statements for each of MGM and the MGM Subsidiary for the quarter ended September 30, 2010 (the "MGM 09-2010 Financial Statements"). The MGM 09-2010 Financial Statements fairly present in all material respects the admitted assets, liabilities, results of operations, capital and surplus, and cash flows of MGM and the MGM Subsidiary as of and for the period ended September 30, 2010.

5.5 Insurance Reserves. The aggregate reserves for MGM and the MGM Subsidiary, after taking any applicable reinsurance agreements into account, make reasonable provision for unpaid obligations, and were as of the date of the Most Recent MGM Balance Sheet (i) determined in accordance with SAP and (ii) calculated, in all material respects, in accordance with accepted actuarial standards and principles.

5.6 Absence of Certain Events or Changes. Except as set forth in Section 5.6 of the Disclosure Schedule, since December 31, 2009 there has been no event or condition that has resulted in (or is reasonably likely to result in) a MGM Material Adverse Effect, and, except for the activities undertaken in connection with the MGM Transactions, MGM and the MGM Subsidiary have conducted their respective businesses in the ordinary course consistent with past practices.

5.7 No Undisclosed Liabilities. Except for liabilities and obligations disclosed or provided for in the Most Recent MGM Balance Sheet or the notes thereto, MGM does not have any liabilities which would be required to be set forth on a balance sheet of MGM as of the date of this Agreement, prepared in accordance with SAP or GAAP, as applicable, in a manner consistent with the Most Recent MGM Balance Sheet except: (i) for policyholder benefits and claims payable arising in the ordinary course of business and consistent with past practices under insurance, reinsurance, and similar contracts, in each case since the date of the Most Recent MGM Balance Sheet; (ii) for liabilities and obligations arising in the ordinary course of business and consistent with past practices, in each case since the date of the Most Recent MGM Balance Sheet; and (iii) as required by state statute or applicable regulation regarding minimum capitalization and deposits.

5.8 Litigation. Except for insurance claims litigation arising in the ordinary course of business for which reserves have been established, there are no actions, suits, claims,

investigations or proceedings pending, or to the Knowledge of MGM, threatened, against MGM or the MGM Subsidiary or their respective properties or businesses before any Governmental Entity or before any arbitrator.

5.9 Real Property; Environmental Matters.

(a) Except as set forth in Section 5.9(a) of the Disclosure Schedule, MGM and the MGM Subsidiary do not own, lease, sublease or hold any right of use or occupancy to any real property. Except as set forth in Section 5.9(a) of the Disclosure Schedule, to the Knowledge of MGM, no hazardous substances, hazardous materials or hazardous wastes, all as defined under federal, state or local laws, regulations and ordinances concerning human health and the environment ("Environmental Law"), are present in, on or under any real property owned, leased or occupied by MGM and the MGM Subsidiary in violation of applicable Environmental Law. MGM and the MGM Subsidiary have made available to BUCKEYE all material reports, records, tests, evaluations, governmental agency and third-party correspondence, and other material documents in the possession of MGM or the MGM Subsidiary's possession relating to the presence of any hazardous material at any facility.

(b) Except as set forth in Section 5.9(b) of the Disclosure Schedule, (i) the business and operations of MGM and the MGM Subsidiary are not in violation of any applicable Environmental Law; (ii) MGM and the MGM Subsidiary have not received any notices of violation or any other such notice alleging any violations of any applicable Environmental Law, and, to the Knowledge of MGM, there is no condition that is reasonably likely to prevent or interfere with compliance with any Environmental Law; and (iii) there are no judicial or administrative proceedings pending or, to the Knowledge of MGM, threatened against MGM or the MGM Subsidiary alleging any violations of any applicable Environmental Law.

5.10 Reinsurance Treaties. Section 5.10 of the Disclosure Schedule contains a true and correct listing of all reinsurance treaties, assumption reinsurance contracts, coinsurance treaties, facultative arrangements and cover notes currently in effect (the "Reinsurance Agreements") pursuant to which MGM or the MGM Subsidiary cedes or assumes insurance, or may cede or assume insurance. Each of MGM and the MGM Subsidiary have previously furnished or otherwise made available to BUCKEYE copies of all of their material Reinsurance Agreements. The Reinsurance Agreements of MGM and the MGM Subsidiary are in full force and effect.

5.11 Subsidiary.

(a) MGM owns one hundred percent (100%) of the outstanding shares of capital stock of the MGM Subsidiary free and clear of any liens. Except as set forth in the preceding sentence and for securities held as part of MGM and the MGM Subsidiary investment portfolio, neither MGM nor the MGM Subsidiary owns, directly or indirectly, any

capital stock of or other equity interests in any corporation, partnership or other Person, and neither MGM nor the MGM Subsidiary is a member of or participant in any partnership, joint venture or other Person.

(b) All the outstanding shares of capital stock of the MGM Subsidiary, held by MGM, have been duly authorized and validly issued and are fully paid and nonassessable. None of the shares of capital stock of the MGM Subsidiary has been issued in violation of, and none of such shares of capital stock is subject to, any purchase option, call, right of first refusal, preemptive, subscription or similar rights under any provision of Applicable Law, the certificate of incorporation or Bylaws or comparable governing instruments of each such MGM Subsidiary, any contract, agreement or instrument to which MGM or the MGM Subsidiary is subject, bound or a party or otherwise.

(c) There are no outstanding warrants, options, rights, "phantom" stock rights, agreements, convertible or exchangeable securities or other commitments pursuant to which the MGM Subsidiary is or may become obligated to issue, sell, purchase, return or redeem any shares of capital stock or other securities of the MGM Subsidiary.

5.12 Examination Reports. MGM has previously made available a complete and correct copy of the most recent report of examination of MGM and the MGM Subsidiary conducted by the Georgia Department of Insurance. Except as set forth on Section 5.12 of the Disclosure Schedule, since the date of the most recent examination of MGM conducted by the Georgia Department of Insurance, neither MGM nor the MGM Subsidiary has been the subject of further examination by, and neither MGM and the MGM Subsidiary is currently undergoing examination by, the Georgia Department of Insurance or any other state department of insurance.

5.13 Taxes. Except as set forth in Section 5.13 of the Disclosure Schedule: (i) MGM and the MGM Subsidiary have duly filed all tax returns required to be filed by them on or prior to the date of this Agreement and all such tax returns are true, correct, and complete in all material respects, and MGM and the MGM Subsidiary have duly paid in full or made provision for the payment of all taxes for all periods or portions thereof; (ii) no federal, state, or local audits or other administrative proceedings or court proceedings are presently pending or, to the Knowledge of MGM, threatened with regard to any taxes or tax returns of MGM or the MGM Subsidiary; and (iii) MGM and the MGM Subsidiary have withheld and paid all federal, state, and local taxes required to have been withheld and paid in connection with amounts paid or owing to any employee, independent contractor, creditor, or other third party.

5.14 Contracts. Except as set forth on Section 5.14 of the Disclosure Schedule, the Reinsurance Agreements described in Section 5.10, the Benefit Plans described in Section 5.15, the Insurance Contracts described in Section 5.17, the personal property leases described in Section 5.21, the Intellectual Property Contracts described in Section 5.22, and the contracts and agreements between MGM or the MGM Subsidiary, on the one hand, and a producer, on

the other hand, which in each case involved payments to such producer of less than \$50,000 in calendar year 2009 (unless such contract is terminable on not more than sixty (60) days notice without cause and payment of penalty) (collectively, the "MGM Agreements"), neither MGM nor the MGM Subsidiary is a party to, bound by or subject to:

- (a) Any contract or agreement not fully performed for the purchase for its own account of any commodity, material or equipment, including without limitation fixed assets, for a price in excess of \$50,000, except contracts or agreements entered into by MGM or the MGM Subsidiary in the ordinary course of their businesses and excepting contracts or agreements for the purchase or sale of investments in their investment portfolios;
- (b) Any indenture, mortgage, promissory note, loan agreement, guaranty or other agreement or commitment for the borrowing of money by MGM or the MGM Subsidiary in excess of \$50,000;
- (c) Any partnership, joint venture or similar agreement or arrangement;
- (d) Any other contract or agreement which creates future payment obligations of MGM or the MGM Subsidiary in excess of \$50,000 in any one year;
- (e) Any contract or agreement outside the ordinary course of business to which MGM or the MGM Subsidiary is a party, which relates to a possible sale or other transaction involving the MGM Subsidiary's or MGM's equity interest in either such entity.

Each of the MGM Agreements is a valid and binding agreement of MGM or the MGM Subsidiary, as the case may be, and to the Knowledge of MGM, is in full force and effect (except for those MGM Agreements that by their terms will expire prior to the Closing). Neither MGM nor the MGM Subsidiary is, or to the Knowledge of MGM alleged to be, in breach or default under any of the MGM Agreements. To the Knowledge of MGM, no other party to the MGM Agreement has breached or defaulted in any material respect thereunder. Complete and correct copies of each of the MGM Agreements have been made available to BUCKEYE.

5.15 Benefit Plans.

(a) Schedule 5.15 hereof contains a list of all "employee pension benefit plans" (as defined in Section 3(2) of the ERISA) (sometimes referred to herein as "Pension Plans"), "employee welfare benefit plans" (as defined in Section 3(1) of ERISA), retirement, profit sharing, severance, employment, cafeteria, bonus, incentive, stock option, stock purchase, deferred compensation plans, medical, dental, vision, life insurance, death benefits, disability or other compensatory arrangements, policies or agreements whether or not written which is or was at any time during the last seven years maintained, administered or contributed to, by MGM or any ERISA Affiliate or which benefit of any current or former officers, directors or employees of MGM or any ERISA Affiliate or under which MGM or any ERISA Affiliate has

any any current, future or contingent liability (all the foregoing being herein called "Benefit Plans"). MGM has made available to BUCKEYE, with respect to MGM and each ERISA Affiliate, true, complete and correct copies of: (i) each Benefit Plan (or, in the case of any unwritten Benefit Plans, written descriptions thereof) and all amendments thereto; (ii) to the extent applicable, the three most recent annual reports on Form 5500 filed with the Internal Revenue Service or Department of Labor with respect to each Benefit Plan (if any such report was required) and accompanying schedules and audited financial statements; (iii) the most recent summary plan description for each Benefit Plan for which such a summary plan description is required and any associated summaries of material modification; (iv) each trust agreement and group annuity contract relating to any Benefit Plan; (v) the most recent annual financial report and/or trust statement, if applicable; (vi) the most recent determination or opinion letter from the Internal Revenue Service, if any; (vii) all material service provider contracts with respect to any Benefit Plan; (viii) any material communications between MGM or any ERISA Affiliate and either participants in any Benefit Plan or any governmental authority relative to any Benefit Plan during the past three most recently completed Benefit Plan years; (ix) all compliance reports provided by third party administrators, actuaries or others and any nondiscrimination testing relative to any Benefit Plan during the past three years, including, but not limited to, reports of compliance with Code Sections 401(k), 401(m), 412, 415, 402(g), 410(b), or 401(a)(4), and (x) any agreement or contract relative to each Benefit Plan with any recordkeeper, investment manager, investment advisor, actuary or other service provider . No Benefit Plan is a "multiemployer plan" (as defined in Section 3(37) of ERISA) and no Benefit Plan is subject to Title IV of ERISA, Section 412 of the Code, or Section 302 of ERISA. Neither MGM nor any ERISA Affiliate has any outstanding liability (contingent or otherwise) with respect to (1) a "defined benefit plan" (as defined in Section 3(35) of ERISA) or a "multiemployer plan" (as defined in Section 3(37) of ERISA) that has been sponsored, maintained or contributed to by MGM or any ERISA Affiliate or (2) an employee welfare benefit plan that provides post-employment medical or life insurance benefits to former employees (other than pursuant to Section 4980B of the Code, Part 6 of Subtitle B of Title I of ERISA or similar state law). With respect to any Benefit Plan which is a "group health plans" under Section 4980B of the Code or Section 607(1) of ERISA, there has been timely compliance in all material respects with all requirements imposed under Section 4980B of the Code and Part 6 of Title I of ERISA, so that neither MGM nor any of its ERISA Affiliates has any (and will not incur any) loss, assessment, tax penalty, or other sanction with respect to any such Benefit Plan. After the Closing Date, BUCKEYE shall be responsible for providing continuation coverage required under Section 4980B of the Code and Title I, Part 6 of ERISA to all former employees of MGM who terminated employment on or before such date and to all persons who are considered "M&A qualified beneficiaries" as defined under Treas. Reg. Section 54.4980B-9 in connection with this transaction. No Benefit Plan is maintained in connection with any trust described in Section 501(c)(9) of the Code. Each Benefit Plan has been maintained, funded and administered in material compliance with its terms and Applicable Law including, without limitation, the Code and ERISA.

- (b) All contributions to, and payments from, the Benefit Plans that may have

been required to be made in accordance with the Benefit Plans and Applicable Law (including Section 302 of ERISA and Section 412 of the Code) have been timely made. None of MGM or any ERISA Affiliate has incurred: (i) any withdrawal liability within the meaning of Section 4201 of any ERISA Affiliate which has not been satisfied in full as of the date hereof; (ii) any liability to the Pension Benefit Guaranty Corporation which has not been satisfied in full as of the date hereof; or (iii) any accumulated funding deficiency, whether or not waived, within the meaning of Section 302 of ERISA or Section 412 of the Code. Except as specified on Schedule 5.15, no Benefit Plan is self-insured or funded from the general assets of MGM or their applicable sponsor.

(c) No "prohibited transaction" (as defined in Section 4975 of the Code or Section 406 of ERISA) has occurred that involves the assets of any Benefit Plan and that could subject MGM or the MGM Subsidiary or any of their employees, or, to the Knowledge of MGM, a trustee, administrator or other fiduciary of any trusts created under any Benefit Plan to the tax or penalty on prohibited transactions imposed by Section 4975 of the Code or the sanctions imposed under Title I of ERISA. MGM has not engaged in any transaction or acted or failed to act in a manner that would reasonably be expected to subject MGM or the MGM Subsidiary to any liability for breaches of any of the duties imposed on "fiduciaries" (within the meaning of Section 3(21) of ERISA) by ERISA with respect to the Benefit Plans. Each Employee Plan has been administered and maintained, from the time of such Employee Plan's inception up to and including the Closing Date, in substantial compliance with (i) the terms of such Benefit Plan, and (ii) any statutes, orders, rules or regulations, including but not limited to ERISA and the Code and any and all collective bargaining agreements and other agreements. There is no pending or, to the Knowledge of MGM, threatened litigation, arbitration, disputed claim, adjudication, audit, examination or other proceeding (other than routine claims for benefits) with respect to any Benefit Plan. Each Benefit Plan which is intended to be qualified under Section 401(a) of the Code has received a favorable determination or opinion from the Internal Revenue Service entitled to be relied upon and nothing has occurred (or failed to occur) to cause the loss of the Benefit Plan's qualification and tax-exempt status during the period from the time of such Benefit Plan's inception up to and including the Closing Date. MGM has complied with all reporting and disclosure obligation to all governmental entities and all participants and beneficiaries with respect to each Benefit Plan required by the terms of such plan and any statutes, orders, rules or regulations, including but not limited to ERISA and the Code.

(d) The execution of, and the consummation of the transactions contemplated by, this Agreement will not constitute a triggering event under any Benefit Plan, whether or not legally enforceable, which (either alone or upon the occurrence of any additional or subsequent event) will or may result in any payment (of severance pay or otherwise), acceleration, increase in vesting, or increase in benefits to any current or former participant in such Benefit Plan or current or former employee of MGM or the MGM Subsidiary. No payment under any Benefit Plan which may be triggered by the transactions contemplated by this Agreement will be nondeductible by reason of Section 280G of the Code

or be subject to any excise tax under Section 4999 of the Code.

(e) No Benefit Plan based on the equity of MGM or other entity is subject to Section 409A of the Code. Each Benefit Plan, to the extent applicable, is in full compliance with Section 409A of the Code and nothing has occurred with respect to any Benefit Plan subject to Section 409A of the Code which would trigger the application of Section 409A(a)(1) of the Code.

5.16 Insurance Regulatory Matters; Licenses.

(a) Schedule 5.16(a) sets forth a list of (i) all jurisdictions in which MGM or the MGM Subsidiary is licensed to write insurance policies or contracts or otherwise conduct an insurance business, and (ii) the lines of business in which MGM or the MGM Subsidiary is authorized to transact in each such jurisdiction ("MGM Admitted States").

(b) Except as set forth on Section 5.16(a) of the Disclosure Schedule, MGM and the MGM Subsidiary have made all material filings required to be made by them with the department of insurance in each MGM Admitted State, and such filings were in material compliance with Applicable Law when filed and no material deficiencies have been asserted by any department of insurance in connection with any such filing.

(c) MGM and the MGM Subsidiary possess all material Licenses necessary to own or lease and operate their respective properties and to conduct their respective businesses as now conducted. All material Licenses of MGM and the MGM Subsidiary are in full force and effect. Neither MGM nor the MGM Subsidiary is in violation of the terms of any License and MGM or the MGM Subsidiary has not received written notice of any violation or claimed violation thereof that could reasonably be expected to have a MGM Material Adverse Effect.

5.17 Insurance Business.

(a) All insurance policies, binders and certificates, and all amendments, applications, brochures, illustrations, certificates, supplements, endorsements, riders and ancillary agreements pertaining thereto (collectively, the "Insurance Contracts") issued by MGM or the MGM Subsidiary, and any and all marketing materials prepared by or on behalf of MGM or the MGM Subsidiary, in each case in effect as of the date hereof, are, to the extent required by Applicable Law, on forms approved by all applicable Governmental Entities or filed with and not objected to by such Governmental Entities within the period provided by Applicable Law for objection. Any rates and rating guidelines of MGM or the MGM Subsidiary that are required to be filed with or approved by any Governmental Entity have been so filed or approved, and the rates used by MGM or the MGM Subsidiary conform in all material respects thereto.

(b) MGM has delivered or made available to BUCKEYE true and complete copies of all actuarial reports, along with all attachments, addenda, supplements and modifications thereto (collectively, the "Actuarial Analyses"), prepared by actuaries, independent or otherwise, with respect to MGM or the MGM Subsidiary since December 31, 2008.

(c) Except for regular periodic assessments in the ordinary course of business, no claim or assessment is pending or, to the Knowledge of MGM, threatened against MGM or the MGM Subsidiary by any state insurance guaranty associations or similar organizations in connection with such association's fund.

5.18 No Regulatory Agreements or Notices of Examinations. Except as set forth in Section 5.18 of the Disclosure Schedule, neither MGM nor the MGM Subsidiary is currently a party to any material supervisory agreement and since January 1, 2010 has not entered into any consent order, stipulation, cease and desist order, or condition or any regulatory order or decree with or by the Georgia Department of Insurance or any other regulatory authority. Except as set forth in Section 5.18 of the Disclosure Schedule, neither MGM nor the MGM subsidiary have received notice of or otherwise have knowledge of any pending or anticipated financial or market conduct examination by the Georgia Department of Insurance.

5.19 Material Transactions with Officers and Directors. Neither MGM nor the MGM Subsidiary have any ongoing material transactions or contractual relationships with any of their executive officers or directors.

5.20 Employee and Labor Matters.

(a) No current or former director, officer, employee, consultant, or independent contractor of MGM or the MGM Subsidiary is a party to any employment, severance, consulting, continuation pay, termination, or other agreement (whether or not in writing) with MGM or the MGM Subsidiary that entitles him or her to compensation or other consideration upon the acquisition by any person of control of MGM.

(b) MGM and the MGM Subsidiary have complied in all material respects with all Applicable Law which relate to employment matters, including requirements of laws relating to prices, wages, hours, discrimination in employment, fair employment (including redundancy and dismissal laws), health and safety, workers' compensation, unemployment, leaves of absence, collective bargaining, immigration and naturalization, social security, and to the operation of their respective business and are not liable for any arrears of wages or any withholding taxes or penalties for failure to comply with any of the foregoing.

5.21 Personal Property. Except as described in Section 5.21 of the Disclosure Schedule hereof, MGM and the MGM Subsidiary own and have good and valid title to all assets reflected in the Most Recent MGM Balance Sheet, except those sold or otherwise

disposed of since the last period covered by the Most Recent MGM Balance Sheet in the ordinary course of business and consistent with past practices, in each case free and clear of all Liens. Section 5.21 of the Disclosure Schedule hereof lists all leases of personal property binding upon MGM or the MGM Subsidiary, or any of its assets or properties, and all items of personal property covered thereby.

5.22 Intellectual Property.

(a) Section 5.22(a) of the Disclosure Schedule hereof sets forth a true and complete list of all material (i) patents, (ii) trademarks, trade names and service marks (registered and unregistered), (iii) registered copyrights and (iv) applications for registration therefore (collectively, "Intellectual Property"), owned, controlled, or licensed to MGM or the MGM Subsidiary (excluding non-exclusive licenses to commercially available software or any non-material non-exclusive licenses). With respect to registered trademarks, Section 5.22(a) of the Disclosure Schedule hereof sets forth a list of all jurisdictions in which such trademarks are registered or applied for by MGM or the MGM Subsidiary (or any third party on their behalf) and all registration and application numbers with respect thereto. Except as provided on Section 5.22(a) of the Disclosure Schedule hereof, to the Knowledge of MGM, MGM and the MGM Subsidiary have all rights to Intellectual Property as is necessary for the operation of their businesses as presently conducted, and the consummation of the transactions contemplated hereby will not conflict with, alter or impair any such rights.

(b) Section 5.22(b) of the Disclosure Schedule hereof sets forth a true and complete list of all material contracts, licenses, sublicenses, assignments and indemnities to which MGM and the MGM Subsidiary are a party, including any works made for hire agreements with any software developers (collectively, the "Intellectual Property Contracts"), that relate to (i) the Intellectual Property, (ii) any trade secrets owned by, licensed to or used by MGM or the MGM Subsidiary, or (iii) any software used by MGM or the MGM Subsidiary, but excluding any non-exclusive software license for commercially available software for which the aggregate license fees paid during the twelve month period prior to the date of this Agreement is less than \$100,000.00 and for which payments owed by MGM or the MGM Subsidiary during the twelve month period following the date of this Agreement will be less than \$50,000.00.

5.23 Compliance with Laws. There does not exist to the Knowledge of MGM, any violation by MGM or the MGM Subsidiary of any Applicable Law, and since January 1, 2011, to the Knowledge of MGM, neither MGM nor the MGM Subsidiary has received any written notice from any Governmental Entity alleging the existence of any violation of any Applicable Law that could reasonably be expected to have a MGM Material Adverse Effect.

5.24 Brokers. MGM has entered into a contract, arrangement or understanding with Aon Benfield which may result in MGM's obligation to pay fee, in connection with the consummation of the MGM Transactions.

ARTICLE VI
REPRESENTATIONS AND WARRANTIES OF BUCKEYE

Except as set forth in the Disclosure Schedule attached hereto (it being agreed that disclosure of any item in any section or subsection of the BUCKEYE Disclosure Schedule shall be deemed disclosure with respect to any other section or subsection to which the relevance of such disclosure to the applicable representation and warranty is reasonably apparent), BUCKEYE hereby represents and warrants to MGM as of the date of this Agreement as follows:

6.1 Corporate Existence and Power.

(a) Except as set forth in Section 6.1(a) of the Disclosure Schedules, BUCKEYE is a mutual property and casualty insurance company duly organized, validly existing and in good standing under the laws of the State of Ohio and has all requisite corporate power, right and authority to own or lease its properties and to carry on its business as now being conducted. Hetuck is a stock company duly organized, validly existing and in good standing under the laws of the State of Ohio and has all requisite corporate power, right and authority to own or lease its properties and to carry on its business as now being conducted. Marias is a stock company duly organized, validly existing and in good standing under the laws of the State of Ohio and has all requisite corporate power, right and authority to own or lease its properties and to carry on its business as now being conducted. Home and Farm Insurance Company is a stock property and casualty insurance company duly organized, validly existing and in good standing under the laws of the State of Indiana and has all requisite corporate power, right and authority to own or lease its properties and to carry on its business as now being conducted. H&F is a stock property and casualty insurance company duly organized, validly existing and in good standing under the laws of the State of Indiana and has all requisite corporate power, right and authority to own or lease its properties and to carry on its business as now begin conducted. Hetuck, Marias, Home and Farm Insurance Company and H&F Agency are collectively referred to as the "BUCKEYE Subsidiaries."

(b) Each of BUCKEYE and the BUCKEYE Subsidiaries is duly qualified or otherwise authorized to transact business as a foreign insurer or foreign corporation in the jurisdictions set forth in Section 6.1(b) of the Disclosure Schedule, and is in compliance with all Applicable Law in every jurisdiction in which such authorization is required by Applicable Law, except where the failure to be so qualified would not, have a BUCKEYE Material Adverse Effect.

(c) BUCKEYE has made available to MGM true and correct copies of the articles of incorporation and Bylaws or equivalent organizational documents (collectively, the "BUCKEYE Organizational Documents") of BUCKEYE and the BUCKEYE Subsidiaries, each as amended to date. The BUCKEYE Organizational Documents so made available are in full

force and effect.

6.2 Corporate Authorization.

(a) BUCKEYE has the corporate right, power and authority to execute and deliver this Agreement and the other MGM Transaction Documents and to consummate the MGM Transactions, subject to receipt of the Regulatory Approvals contemplated by Section 8.1(d) hereof. Except for the Regulatory Approvals, no other corporate proceeding or regulatory approval is necessary to authorize this Agreement, the MGM Transaction Documents or the MGM Transactions. The execution, delivery and performance by BUCKEYE of this Agreement and the other MGM Transaction Documents have been duly authorized by the BUCKEYE board of directors.

(b) This Agreement, the Pooling Agreement and the Services Agreement, will, upon execution and delivery thereof at Closing, constitute valid and binding agreements of MGM, enforceable against BUCKEYE and the BUCKEYE Subsidiaries in accordance with their respective terms, except as such enforceability may be limited by (i) bankruptcy, receivership, insolvency, reorganization, moratorium or similar laws affecting or relating to creditors' rights generally and (ii) general principles of equity.

6.3 No Conflict; Consents. The execution and delivery of this Agreement by BUCKEYE does not, and, subject to the receipt of the Regulatory Approvals contemplated by Section 8.1(d) hereof, the consummation of the MGM Transactions and compliance with the terms hereof will not, conflict with, or result in any violation of or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination, cancellation or acceleration of any obligation or to loss of a benefit under, or result in the creation of any Lien, option, charge or restriction of any kind upon any of the properties or assets of BUCKEYE or any BUCKEYE Subsidiary under any provision of (i) the BUCKEYE Organizational Documents; (ii) any note, bond, mortgage, indenture, deed of trust, license, lease, contract, commitment, agreement or arrangement to which BUCKEYE or any BUCKEYE Subsidiaries is a party or by which any of their respective properties or assets are bound; or (iii) any judgment, order or decree, or statute, law, ordinance, rule or regulation applicable to BUCKEYE or any BUCKEYE Subsidiary except, in the case of clauses (ii) and (iii) for violations, defaults, terminations, cancellations, accelerations, loss of benefits, creations of liens, options, charges or restrictions that would not, individually or in the aggregate, have a BUCKEYE Material Adverse Effect. Except where the failure to make any filing with, or obtain any License, consent or approval of any Governmental Entity would not individually or in the aggregate have a BUCKEYE Material Adverse Effect, no consent, approval, License, order or authorization of, or registration, declaration or filing with, any Governmental Entity is required to be obtained or made by or with respect to BUCKEYE or any BUCKEYE Subsidiary in connection with the execution, delivery and performance of this Agreement or the consummation of the MGM Transactions other than the Regulatory Approvals.

6.4 Financial Statements. BUCKEYE has made available to MGM true and complete

copies of the audited financial statements for each of BUCKEYE and the BUCKEYE Subsidiaries for the years ended December 31, 2008 and 2009 (collectively, the "BUCKEYE Financial Statements"). The balance sheet for each of BUCKEYE and the BUCKEYE Subsidiaries dated as of December 31, 2009, included in the BUCKEYE Financial Statements is referred to as the "Most Recent BUCKEYE Balance Sheet". The BUCKEYE Financial Statements have been prepared in accordance with SAP or GAAP, as applicable, and fairly present in all material respects the admitted assets, liabilities, results of operations, capital and surplus, and cash flows of BUCKEYE as of the dates and for the periods then ended, as applicable, in conformity with accounting practices prescribed or permitted by SAP or GAAP, as applicable. BUCKEYE has also made available to MGM true and complete copies of the financial statements for each of BUCKEYE and the BUCKEYE Subsidiaries for the quarter ended September 30, 2010 (the "BUCKEYE Q3-2010 Financial Statements"). The BUCKEYE 09-2010 Financial Statements fairly present in all material respects the admitted assets, liabilities, results of operations, capital and surplus, and cash flows of BUCKEYE and the BUCKEYE Subsidiary as of and for the period ended September 30, 2010.

6.5 Insurance Reserves. The aggregate reserves for BUCKEYE and the BUCKEYE Subsidiaries, after taking any applicable reinsurance agreements into account, make reasonable provision for unpaid obligations, and were as of the date of the Most Recent BUCKEYE Balance Sheet (i) determined in accordance with SAP and (ii) calculated, in all material respects, in accordance with accepted actuarial standards and principles.

6.6 Absence of Certain Events or Changes. Since December 31, 2009 there has been no event or condition that has resulted in (or is reasonably likely to result in) an BUCKEYE Material Adverse Effect or the BUCKEYE Subsidiaries, and BUCKEYE has conducted its business in the ordinary course consistent with past practices.

6.7 No Undisclosed Liabilities. Except for liabilities and obligations disclosed or provided for in the Most Recent BUCKEYE Balance Sheet or the notes thereto, BUCKEYE nor any BUCKEYE Subsidiary has any liabilities or obligations (whether absolute or contingent and whether due or to become due) which would be required to be set forth on a balance sheet of BUCKEYE as of the date of this Agreement, prepared in accordance with SAP or GAAP, as applicable, in a manner consistent with the Most Recent BUCKEYE Balance Sheet except: (i) for policyholder benefits and claims payable arising in the ordinary course of business and consistent with past practices under insurance, reinsurance, and similar contracts, in each case since the date of the Most Recent BUCKEYE Balance Sheet; (ii) for liabilities and obligations arising in the ordinary course of business and consistent with past practices, in each case since the date of the Most Recent BUCKEYE Balance Sheet; and (iii) as required by state statute or applicable regulation regarding minimum capitalization and deposits.

6.8 Litigation. Except for insurance claims litigation arising in the ordinary course of business for which reserves have been established, there are no actions, suits, claims, investigations or proceedings pending, or to the Knowledge of BUCKEYE, threatened,

against or affecting BUCKEYE or the BUCKEYE Subsidiaries or its properties or businesses before any Governmental Entity or before any arbitrator.

6.9 Real Property.

(a) Except as set forth in Section 6.9(a) of the Disclosure Schedule, BUCKEYE and the BUCKEYE Subsidiaries do not own, lease, sublease or hold any right of use or occupancy to any real property. Except as set forth in Section 6.9(a) of the Disclosure Schedule, to the Knowledge of BUCKEYE, no hazardous substances, hazardous materials or hazardous wastes, all as defined under Environmental Law, are present in, on or under any real property owned, leased or occupied by BUCKEYE and the BUCKEYE Subsidiaries in violation of applicable Environmental Law.

(b) Except as set forth in Section 6.9(b) of the Disclosure Schedule, (i) the business and operations of BUCKEYE and the BUCKEYE Subsidiaries are not in violation of any applicable Environmental Law; (ii) BUCKEYE and the BUCKEYE Subsidiaries have not received any notices of violation or any other such notice alleging any violations of any applicable Environmental Law, and, to the Knowledge of BUCKEYE, there is no condition that is reasonably likely to prevent or interfere with compliance with any Environmental Law; and (iii) there are no judicial or administrative proceedings pending or, to the Knowledge of BUCKEYE, threatened against BUCKEYE or any of the BUCKEYE Subsidiaries alleging any violations of any applicable Environmental Law.

6.10 Examination Reports. BUCKEYE has made available a complete and correct copy of the most recent report of examination of BUCKEYE conducted by the Ohio Department of Insurance and Home and Farm Insurance Company conducted by the Indiana Department of Insurance. Since the date of the most recent examination of BUCKEYE conducted by the Ohio Department of Insurance and of Home and Farm Insurance Company conducted by the Indiana Department of Insurance, neither BUCKEYE nor Home and Farm Insurance Company has been the subject of further examination by, and neither BUCKEYE nor Home and Farm Insurance Company is currently undergoing examination by a Governmental Entity.

6.11 Subsidiaries.

(a) BUCKEYE owns one hundred percent (100%) of the outstanding shares of capital stock of Hetuck, Marias and Home and Farm Insurance Company which are free and clear of any liens. Home and Farm Insurance Company owns one hundred percent (100%) of the capital stock of H&F Agency free and clear of any liens. Except as set forth in the preceding sentence, and for securities held as part of BUCKEYE and the BUCKEYE Subsidiaries investment portfolio, neither BUCKEYE nor any of the BUCKEYE Subsidiaries owns, directly or indirectly, any capital stock of or other equity interests in any corporation, partnership or other Person, and neither BUCKEYE nor any of the BUCKEYE Subsidiaries is a member of or participant in any partnership, joint venture or other Person.

(b) All the outstanding shares of capital stock of each of the BUCKEYE Subsidiaries, held by BUCKEYE or a BUCKEYE Subsidiary, have been duly authorized and validly issued and are fully paid and nonassessable. None of the shares of capital stock of any of the BUCKEYE Subsidiaries has been issued in violation of, and none of such shares of capital stock is subject to, any purchase option, call, right of first refusal, preemptive, subscription or similar rights under any provision of Applicable Law, the certificate of incorporation or Bylaws or comparable governing instruments of each such BUCKEYE Subsidiary, any contract, agreement or instrument to which BUCKEYE or any BUCKEYE Subsidiary is subject, bound or a party or otherwise.

(c) There are no outstanding warrants, options, rights, "phantom" stock rights, agreements, convertible or exchangeable securities or other commitments pursuant to which each BUCKEYE Subsidiary is or may become obligated to issue, sell, purchase, return or redeem any shares of capital stock or other securities of such BUCKEYE Subsidiary.

6.12 Insurance Regulatory Matters; Licenses.

(a) Section 6.12(a) of the Disclosure Schedule hereof sets forth a list of: (i) all jurisdictions in which BUCKEYE or any BUCKEYE Subsidiary is licensed to write insurance policies or contracts or otherwise conduct an insurance business; and (ii) the lines of business in which BUCKEYE and any BUCKEYE Subsidiary is authorized to transact in each such jurisdiction ("BUCKEYE Admitted States").

(b) BUCKEYE and the BUCKEYE Subsidiaries have made all filings required to be made by them with the department of insurance in each BUCKEYE Admitted State and such filings were in material compliance with Applicable Law when filed and no material deficiencies have been asserted by any department of insurance in connection with any such filing.

(c) BUCKEYE and the BUCKEYE Subsidiaries possess all material Licenses necessary to own or lease and operate their respective properties and to conduct their respective businesses as now conducted. All material Licenses of BUCKEYE and the BUCKEYE Subsidiaries are in full force and effect. Neither BUCKEYE nor any BUCKEYE Subsidiary is in violation of the terms of any License and BUCKEYE or any BUCKEYE Subsidiary has not received written notice of any violation or claimed violation thereof that could reasonably be expected to have a BUCKEYE Material Adverse Effect.

6.13 Insurance Business.

(a) All Insurance Contracts issued by BUCKEYE or any BUCKEYE Subsidiary, and any and all marketing materials prepared by or on behalf of BUCKEYE, in each case in effect as of the date hereof, are, to the extent required by Applicable Law, on forms

approved by all applicable Governmental Entities or filed with and not objected to by such Governmental Entities within the period provided by Applicable Law for objection. Any rates and rating guidelines of BUCKEYE that are required to be filed with or approved by any Governmental Entity have been so filed or approved and the rates used by BUCKEYE conform in all material respects thereto.

(b) BUCKEYE has made available to MGM true and complete copies of all Actuarial Analyses prepared by actuaries, independent or otherwise, with respect to BUCKEYE since December 31, 2009. To the Knowledge of BUCKEYE, the information and data furnished by BUCKEYE to its independent actuaries in connection with the preparation of such Actuarial Analyses were accurate in all material respects as of the date so delivered.

(c) Except for regular periodic assessments in the ordinary course of business, no claim or assessment is pending or, to the Knowledge of BUCKEYE, threatened against BUCKEYE by any state insurance guaranty associations or similar organizations in connection with such association's fund.

6.14 No Regulatory Agreements. Other than contained in Schedule 6.14 neither BUCKEYE nor any BUCKEYE Subsidiary is currently a party to any material supervisory agreement, and since January 1, 2010 has not entered into any consent order, stipulation, cease and desist order, or condition or any regulatory order or decree with or by the Ohio Department of Insurance, Indiana Department of Insurance or any other regulatory authority.

6.15 Compliance with Laws. There does not exist to the Knowledge of BUCKEYE, any violation by BUCKEYE or the BUCKEYE Subsidiaries of any Applicable Law, and since January 1, 2010, BUCKEYE or the BUCKEYE Subsidiaries has not received any written notice from any Governmental Entity alleging the existence of any violation of any Applicable Law that could reasonably be expected to have a BUCKEYE Material Adverse Effect.

6.16 Reinsurance Treaties. Section 6.16 of the Disclosure Schedule contains a true and correct listing of all Reinsurance Agreements pursuant to which BUCKEYE or any BUCKEYE Subsidiary cedes or assumes insurance, or may cede or assume insurance. Each of BUCKEYE and the BUCKEYE Subsidiaries have made available to MGM copies of all of their material Reinsurance Agreements. The Reinsurance Agreements of BUCKEYE and the BUCKEYE Subsidiaries are in full force and effect.

6.17 Taxes. (i) BUCKEYE and the BUCKEYE Subsidiaries have duly filed all tax returns required to be filed by it on or prior to the date of this Agreement and all such tax returns are true, correct, and complete in all material respects, and BUCKEYE and the BUCKEYE Subsidiaries have duly paid in full or made provision for the payment of all taxes for all periods or portions thereof; (ii) no federal, state, or local audits or other administrative proceedings or court proceedings are presently pending or, to the Knowledge of BUCKEYE, threatened with regard to any taxes or tax returns of BUCKEYE or the BUCKEYE Subsidiaries; and (iii)

BUCKEYE has withheld and paid all federal, state, and local taxes required to have been withheld and paid in connection with amounts paid or owing to any employee, independent contractor, creditor, or other third party.

6.18 No Brokers. BUCKEYE has not entered into any contract, arrangement or understanding with any Person which may result in the obligation of either Party to pay any finder's fees, brokerage or agent's commissions or other like payments in connection with the negotiations leading to this Agreement or consummation of the MGM Transactions.

ARTICLE VII COVENANTS

7.1 Conduct of Business Prior to the Closing Date.

(a) From the date of this Agreement until the Closing Date, unless the other Parties shall otherwise agree in writing, or as otherwise contemplated by this Agreement, the Parties, and their respective Subsidiary, shall conduct their respective businesses in the ordinary course consistent with past practice and shall use all commercially reasonable efforts to preserve intact their licenses, permits and certificates of authority, business organizations and relationships with third parties (including but not limited to their respective relationships with members, policyholders, agents and underwriters). Each of the Parties shall promptly advise the other Party in writing of the MGM Material Adverse Effect or BUCKEYE Material Adverse Effect or any claim, litigation or other event involving a Party that could reasonably be expected to result in the MGM Material Adverse Effect or BUCKEYE Material Adverse Effect, as the case may be.

(b) From the date of this Agreement until the Closing Date, MGM shall provide to BUCKEYE a copy of any and all requests made to the Georgia Department of Insurance for approval of any proposed expenditure or other matter for which approval of the Department of Insurance is required.

(c) From the date of this Agreement until the Closing Date, MGM agrees that it will consult and cooperate in a commercially reasonable manner with BUCKEYE with respect to: (i) all MGM casualty claims that exceed \$50,000 or include an allegation of bad faith; (ii) all new insurance coverage applications for MGM and the MGM Subsidiary on coastal risks that exceed an AAL/PML equal to or greater than twenty percent (20%) of annual policy premium; (iii) all material exceptions or changes to underwriting guidelines; and (iv) all changes to rate and rule filings. From the date of this Agreement until the Closing Date, BUCKEYE agrees that it will promptly review and provide advice to MGM on such matters; provided, however, that MGM shall maintain the exclusive authority and control of the foregoing matters.

7.2 Access to Information. From the date of this Agreement and until the Closing, subject to any applicable contractual restrictions and legal privileges, and to the extent Applicable Law would not thereby be violated, the Parties each covenant and agree to:

(a) Give the other Party and its authorized representatives reasonable access (including the copying of such materials as may be reasonably requested), upon reasonable prior notice and during normal business hours, to their respective offices, properties, books and records;

(b) Furnish the other Party, its counsel, financial advisors, auditors, and other authorized representatives such financial and operating data and other information relating to their respective businesses as such Persons may reasonably request; and

(c) Instruct their respective employees, independent agents, counsel, and financial advisors to cooperate with the other Party in its investigations in relation to the MGM Transactions.

7.3 Notices of Certain Events. The Parties each covenant and agree to promptly notify the other Party of any of the following:

(a) Any notice or other communication received by such Party from any source alleging that the consent of another Person is or may be required in connection with the MGM Transactions;

(b) Any notice or communication received by such Party from any Government Entity relating to the MGM Transactions; and

(c) Any breach of a representation or warranty of the notifying Party that could reasonably be expected to materially and adversely affect the consummation of the MGM Transactions.

7.4 Alternative Transactions.

(a) Except as permitted by Section 7.4(b) MGM covenants and agrees that from the date of this Agreement until the Closing, MGM will not, nor will it permit any of its directors, officers, employees, agents or representatives, directly or indirectly to knowingly initiate, solicit or make any offer or proposal to any Person other than BUCKEYE regarding an actual or possible merger, reorganization, consolidation, sale of assets, affiliation or other change of control transaction, or demutualization or conversion, involving MGM or a MGM Subsidiary (an "Alternative Transaction Proposal"). MGM will immediately cease and cause to be terminated any existing activities, discussion or negotiations with any parties conducted prior to the date of this Agreement with respect to any of the foregoing. MGM will promptly notify BUCKEYE in writing if any Alternative Transaction Proposal is received by it or any discussions or negotiations are sought in connection with an Alternative Transaction Proposal and, subject to pre-existing confidentiality agreements, will notify BUCKEYE of the identity of such other entity and its representatives and the material terms and conditions of any such

proposals or offers.

(b) Nothing contained in this Section 7.4 or elsewhere in this Agreement will prevent MGM from: (i) furnishing non-public information to and entering into confidentiality agreements with any Person in connection with any unsolicited Alternative Transaction Proposal to MGM; (ii) entering into discussions or negotiations with any Person in connection with any unsolicited Alternative Transaction Proposal to MGM; (iii) entering into an agreement with any such Person; or (iv) terminating this Agreement if the MGM Board determines in its good faith judgment after consultation with its advisors and regulators that such action is required in order for the MGM Board to comply with its fiduciary obligations because such unsolicited Alternative Transaction Proposal is more favorable to MGM and its members than the MGM Transactions. In the event that MGM terminates this Agreement in accordance with this Section 7.4(b), MGM shall pay to BUCKEYE an amount equal to the BUCKEYE Fees and Expenses, up to a maximum of One Hundred Thousand Dollars (\$100,000.00). For purposes of this Agreement "BUCKEYE Fees and Expenses" shall mean all reasonable legal, accounting and consulting fees and expenses actually incurred by BUCKEYE in connection with this Agreement and transactions provided hereby.

7.5 Commercially Reasonable Efforts.

Subject to the terms and conditions of the other MGM Transaction Documents, the Parties each covenant and agree to use their respective commercially reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things reasonably necessary under Applicable Law to consummate the MGM Transactions.

7.6 Filings with Governmental Entities.

(a) Each party hereto will use all commercially reasonable efforts to obtain all authorizations, consents, orders and approvals of all Governmental Entities and to provide all notices, take all actions, and complete all filings that may be or become necessary for its execution and delivery of, and the performance of its obligations pursuant to, this Agreement, including any required approval of the Ohio, Indiana and Georgia Departments of Insurance and will cooperate fully with the other Party in promptly seeking to obtain all such authorizations, consents, orders and approvals.

(b) BUCKEYE shall make its initial filings with the Ohio and Indiana Departments of Insurance ("Form D Filings") and Georgia Department of Insurance ("Form A Filing") as promptly as reasonably practicable following execution of this Agreement and in no event later than ten (10) Business Days after the date hereof. BUCKEYE agrees to provide a draft of the Form A Filing (and each amendment or supplement thereto) to MGM and to allow MGM three (3) Business Days to review the form and to consult with BUCKEYE relating to any issues arising as a result of MGM's review, prior to the submission by BUCKEYE of the Form A Filing. BUCKEYE agrees to provide MGM with

copies of the Form A Filing and each amendment or supplement thereto in final form upon the submission thereof.

(c) BUCKEYE and MGM shall promptly, but no later than five (5) Business Days after a request therefor, file all documents and other information required or requested by any Governmental Entity or Applicable Law to cause the Closing to occur, including without limitation promptly but no later than five (5) Business Days after a request therefor, supplementing any filings made with the Ohio, Indiana and Georgia Departments of Insurance and responding to inquiries and providing additional information requested by the Ohio, Indiana and Georgia Departments of Insurance or any other Governmental Entity.

(d) BUCKEYE agrees to provide MGM with a copy of all material communications regarding the Form A Filing and Form D Filings between BUCKEYE and the Ohio, Indiana and Georgia Departments of Insurance, or a summary of such communications if oral.

(e) BUCKEYE and MGM shall not take any acts or omit to take any acts for the purpose of causing any legal restraint or prohibition preventing the MGM Transactions contemplated by this Agreement.

(g) After the Closing and within the time period required by Applicable Law, BUCKEYE will: (i) cause MGM and the MGM Subsidiary to file an amended Insurance Holding Company System Annual Registration Statement (Form B) with the Georgia Department of Insurance; (ii) cause Home and Farm Insurance Company to amend its Form B with the Indiana Department of Insurance; and (iii) amend its own Form B filing with the Ohio Department of Insurance.

7.7 Cooperation. The Parties each covenant and agree that they will cooperate with one another: (i) in determining whether any action by or in respect of, or filing with, any Governmental Entity is required, or any actions, consents, approvals or waivers are required to be obtained from parties to any contracts in connection with the consummation of the MGM Transactions; and (ii) in taking such reasonable actions or making any such filings, furnishing information required in connection therewith, and reasonably seeking to obtain in a timely fashion any such actions, consents, approvals, or waivers. It is expressly understood by the Parties that representatives of MGM and BUCKEYE, respectively, will have the right to attend and participate in any hearing, proceeding, meeting, or conference before or with any Governmental Entity relating to material aspects of the MGM Transactions subject to any required consent from the applicable Governmental Entity. In furtherance of the foregoing covenant, the Parties will provide each other reasonable advance notice of such hearing, proceeding, meeting or conference (if any).

7.8 Public Announcements; Confidentiality. The Parties each covenant and agree that:

(a) From the date of this Agreement until the Closing is consummated, the Parties will consult with each other before issuing any press release or making any public statement with respect to the MGM Transaction Documents, or the MGM Transactions, and except as may be required by Applicable Law, will not make any such public statement prior to such consultation.

(b) The Parties agree that the affiliation discussions and negotiations may be disclosed to the Ohio Department of Insurance, the Indiana Department of Insurance and the Georgia Department of Insurance and such disclosures shall not be deemed "Confidential Information".

(c) All proprietary information shall remain the property of the disclosing Party. If the Parties terminate this Agreement or any other MGM Transaction Document the other Party and its representatives will promptly deliver to the disclosing Party any proprietary information (and all copies thereof) obtained or possessed by the other Party or any of its representatives in connection with such agreement; provided, however, that in lieu of delivering to the requesting party any written materials of the type described in clause (b) hereof, the other Party may destroy such written materials and deliver to the disclosing Party a certificate confirming their destruction.

ARTICLE VIII CONDITIONS TO CLOSING

8.1 Conditions to BUCKEYE's Obligation to Close. The obligation of BUCKEYE to close the MGM Transactions is subject to the satisfaction (or waiver by BUCKEYE) as of the Closing Date of the following conditions:

(a) The representations and warranties of MGM set forth in this Agreement which are qualified by materiality or a MGM Material Adverse Effect or words of similar effect shall have been true and correct as of the date of this Agreement and as of the Closing Date (except to the extent such representations and warranties expressly relate to a specific date, in which case such representations and warranties shall have been true and correct as of such date), and the representations and warranties of MGM set forth in this Agreement which are not so qualified shall have been true and correct in all material respects as of the date of this Agreement and as of the Closing Date (except to the extent such representations and warranties expressly relate to a specific date, in which case such representations and warranties shall have been true and correct in all material respects as of such date). MGM shall have delivered to BUCKEYE a certificate dated as of the Closing Date and signed by the President of MGM confirming the foregoing.

(b) MGM shall have performed or complied in all material respects with all covenants required by this Agreement to be performed or complied with by MGM by the time of the Closing. MGM shall have delivered to BUCKEYE a certificate dated as of the Closing Date

and signed by the President of MGM confirming the foregoing.

(c) No statute, rule, regulation, executive order, decree, temporary restraining order, preliminary or permanent injunction or other order enacted, entered, promulgated, enforced or issued by any Governmental Entity or other legal restraint or prohibition preventing the MGM Transactions shall be in effect.

(d) All Regulatory Approvals to consummate the MGM Transactions (including the approvals of the Ohio, Indiana and Georgia Departments of Insurance with respect to the required regulatory filings) shall have been received; all conditions required to be satisfied prior to the Closing imposed by the terms of such Regulatory Approvals shall have been satisfied; all waiting periods relating to such Regulatory Approvals shall have expired; and all pre-closing notifications to any Governmental Entity that are required to consummate the MGM Transactions shall have been made and all notice periods shall have expired; provided, however, that BUCKEYE shall not be required to commit to or accept any Regulatory Approval that is conditioned upon or requires as part of such Regulatory Approval BUCKEYE or any BUCKEYE Subsidiary, or MGM to: (i) sell or agree to sell, divest, discontinue, reallocate or limit any material assets, businesses or interest in any assets or businesses of BUCKEYE, its Affiliates or MGM or its Affiliates (or consent to do any of the foregoing); or (ii) agree to any conditions relating to, or changes or restrictions in, the operations of any assets or businesses of MGM or BUCKEYE that the board of directors of BUCKEYE determines in its good faith judgment after consultation with its advisors would result in a MGM Material Adverse Effect or an BUCKEYE Material Adverse Effect, respectively.

(e) There shall not be pending by any Governmental Entity any suit, action, or proceeding challenging or seeking to restrain or prohibit the MGM Transactions or seeking to obtain from BUCKEYE or MGM in connection with the MGM Transactions any damages that are material in relation to BUCKEYE or MGM taken as a whole.

(f) BUCKEYE shall have received a Secretary's certificate of MGM certifying as to the incumbency of its authorized officers, genuineness of their signatures and validity and effectiveness of attached copies of its Bylaws and authorizing corporate resolutions, together with a copy, dated as of a date not more than twenty (20) Business Days prior to the Closing Date, of the Certificate of Incorporation or similar organizational document of MGM certified by the Georgia Secretary of State.

(g) The MGM Transaction Documents shall have been executed and delivered by the parties thereto, other than BUCKEYE and its Affiliates.

(h) MGM shall have provided to BUCKEYE a certificate of compliance for MGM from the Georgia Department of Insurance dated as of a date not more than twenty (20) Business Days prior to the Closing Date.

8.2 Conditions to MGM's Obligation to Close. The obligation of MGM to close the MGM Transactions is subject to the satisfaction (or waiver by MGM) as of the Closing of the following conditions:

(a) The representations and warranties of BUCKEYE set forth in this Agreement which are qualified by materiality or a BUCKEYE Material Adverse Effect or words of similar effect shall have been true and correct as of the date of this Agreement and as of the Closing Date (except to the extent such representations and warranties expressly relate to a specific date, in which case such representations and warranties shall have been true and correct as of such date), and the representation and warranties of BUCKEYE set forth in this Agreement which are not so qualified shall have been true and correct in all material respects as of the date of this Agreement and as of the Closing Date (except to the extent such representations and warranties expressly relate to a specific date, in which case such representations and warranties shall have been true and correct in all material respects as of such date). BUCKEYE shall have delivered to MGM a certificate dated as of the Closing Date and signed by the President of BUCKEYE confirming the foregoing.

(b) BUCKEYE shall have performed or complied in all material respects with all covenants required by this Agreement to be performed or complied with by BUCKEYE by the time of the Closing. BUCKEYE shall have delivered to MGM a certificate dated as of the Closing Date and signed by an authorized officer of BUCKEYE confirming the foregoing.

(c) No statute, rule, regulation, executive order, decree, temporary restraining order, preliminary or permanent injunction or other order enacted, entered, promulgated, enforced or issued by any Governmental Entity or other legal restraint or prohibition preventing the MGM Transactions shall be in effect.

(d) All Regulatory Approvals to consummate the MGM Transactions (including the approvals of the Ohio, Indiana and Georgia Departments of Insurance with respect to the required regulatory filings) shall have been received; all conditions required to be satisfied prior to the Closing imposed by the terms of such Regulatory Approvals shall have been satisfied; all waiting periods relating to such Regulatory Approvals shall have expired; and all notifications to any Governmental Entity that are required to consummate the MGM Transactions shall have been made and all notice periods shall have expired.

(e) There shall not be pending by any Governmental Entity any suit, action or proceeding challenging or seeking to restrain or prohibit the MGM Transactions or seeking to obtain from MGM in connection with the MGM Transactions any damages that are material in relation to MGM taken as a whole.

(f) MGM shall have received a Secretary's certificate of BUCKEYE certifying as to the incumbency of their respective authorized officers, genuineness of their

respective signatures and validity and effectiveness of attached copies of their Bylaws and authorizing corporate resolutions, together with a copy, dated as of a date not more than twenty (20) Business Days prior to the Closing Date, of the Certificate of Incorporation or similar organizational document of BUCKEYE certified by the Ohio Secretary of State.

(g) The MGM Transaction Documents shall have been executed and delivered by the parties thereto, other than MGM and its Affiliates.

(h) BUCKEYE shall have provided to MGM a certificate of compliance for BUCKEYE from the Ohio Department of Insurance dated as of a date not more than twenty (20) Business Days prior to the Closing Date.

ARTICLE IX SURVIVAL

9.1 Non-Survival of Representations and Warranties. None of the representations, warranties, covenants or other agreements in this Agreement, including any rights arising out of any breach of such representations, warranties, covenants and other agreements, shall survive the Closing, except: (i) those covenants and agreements contained herein that by their terms apply or are to be performed in whole or in part after the Closing; and (ii) any fraudulent breach of any representation or warranty by either MGM or BUCKEYE.

ARTICLE X TERMINATION

10.1 Termination of MGM Transactions. BUCKEYE and MGM may terminate this Agreement and the MGM Transactions may be abandoned at any time prior to the Closing:

(a) By mutual written consent of BUCKEYE and MGM;

(b) By BUCKEYE or MGM if the Closing does not occur on or prior to ninety (90) days after the date of this Agreement; provided, however, that if all conditions to the obligations of BUCKEYE, on the one hand, and MGM, on the other hand, to consummate the Closing (as set forth in Article VIII hereof), other than obtaining the Regulatory Approvals required by Section 8.1(d) and 8.2(d), have then been satisfied, and BUCKEYE and/or MGM are diligently seeking to obtain such approvals, then the right to terminate this Agreement pursuant to this subsection 10.1(b) shall not be available to any Party hereto until one hundred eighty (180) days after the date of this Agreement. Notwithstanding the foregoing, no Party may exercise the right to terminate this Agreement under this subsection 10.1(b) if the failure to consummate the Closing was a result of a breach by such Party of any of its obligations under this Agreement or any other MGM Transaction Document;

(c) By BUCKEYE, if there has been a material breach by MGM or any of the MGM Subsidiary of any representation, warranty, covenant, or agreement contained in this

Agreement or any other MGM Transaction Documents such that any of the conditions set forth in Section 8.1 would not be satisfied (absent a waiver by BUCKEYE) and such breach is not curable or, if curable, is not cured within fifteen (15) Business Days after written notice of such breach is given by BUCKEYE to MGM;

(d) By MGM, if there has been a material breach by BUCKEYE or any of the BUCKEYE Subsidiary of any representation, warranty, covenant, or agreement contained in this Agreement or any other MGM Transaction Documents such that any of the conditions set forth in Section 8.2 would not be satisfied (absent a waiver by MGM) and such breach is not curable or, if curable, is not cured within 15 (fifteen) Business Days after written notice of such breach is given by MGM to BUCKEYE;

(e) By BUCKEYE or MGM, if a Governmental Entity whose approval is necessary to consummate the transactions contemplated hereby shall have been disapproved;

(f) By BUCKEYE or MGM, if any permanent injunction, court order or other order, decree or ruling of any court or other Governmental Entity of competent jurisdiction or new law or change to existing law permanently restraining, enjoining or otherwise preventing the consummation of the transactions contemplated hereby shall have been issued and become final and non-appealable;

(g) By MGM, if its Board of Directors, after consultation with its advisors, determines that it must terminate this Agreement to comply with its fiduciary obligations pursuant to Section 7.4(b);

(h) By BUCKEYE, if MGM has not (in not later than twenty (20) Business Days after receiving an Alternative Transaction Proposal) either (i) provided notice to BUCKEYE of its determination not to pursue such Alternative Transaction Proposal (which may for purposes of this Section 10.1(h) include notification by fax, email or other form of electronic communication) or (ii) terminated this Agreement in accordance with 10.1(g) hereof.

10.2 Effect of Termination.

(a) In the event of termination by any Party pursuant to Section 10.1, written notice thereof shall forthwith be given to the other Parties and the MGM Transactions shall be terminated, without further action by any Party. If the MGM Transactions are terminated as provided herein: (i) each Party shall return all documents and other materials received from the other Party relating to the MGM Transactions, whether so obtained before or after the execution of this Agreement; and (ii) all confidential information received by any Party with respect to the business of any other Party shall be maintained in the strictest confidence.

(b) In the event of the termination of the MGM Transactions in accordance

with Section 10.1, this Agreement will become void and of no effect with no liability under this Agreement on the part of any Party (or any of their respective directors, officers, employees, agents, legal, and financial advisors, or other representatives) with respect to the MGM Transactions; provided, however, that, except as otherwise provided in this Agreement, no such termination will relieve any Party of any liability or damages resulting from any willful and material breach of any representation and warranty, covenant or obligation set forth in this Agreement.

10.3 Termination After Closing.

(a) This Agreement shall be terminated at any time after the Closing:

(i) by mutual written agreement of BUCKEYE and MGM; or

(ii) automatically upon termination of the Pooling Agreement or the participation by MGM in the Pooling Agreement unless such action has been approved by the directors of MGM constituting at least two-thirds of the number of directors prescribed in the MGM Bylaws.

(b) In the event of termination after the Closing, the Parties shall use their respective best, good faith efforts to amicably unwind the affiliation.

(c) In the event of the termination of this Agreement, the MGM directors designated by Buckeye shall resign as of the effective date of the termination.

ARTICLE XI DISPUTE RESOLUTION

11.1 General.

(a) Any dispute between MGM, on the one hand, and BUCKEYE, on the other hand, arising out of or relating to the formation, interpretation, performance, or breach of this Agreement, whether such dispute arises before or after termination of this Agreement, shall be resolved by arbitration.

(b) The Parties intend this article to be enforceable in accordance with the Federal Arbitration Act (9 U.S.C. Section 1, et seq.) or if for any reason that Act is determined to be inapplicable, in accordance with the Ohio Arbitration Act (ORC §2711.01, et seq.), including any amendments to those Acts which are subsequently adopted, notwithstanding any other choice of law provision set forth in this Agreement. In the event that any Party refuses to submit to arbitration as required herein, the other Party may request a United States Federal District Court, or a Common Pleas Court in Ohio, to compel arbitration in accordance with the

above-referenced Acts. Each Party consents to the jurisdiction of such courts to enforce this article and to confirm and enforce the performance of any award of the Arbitrator (defined in Section 11.2). Arbitration shall be initiated by the delivery of a written notice of demand for arbitration by one Party to the other Party (the "Arbitration Demand").

11.2 Appointment of Arbitrator. MGM and BUCKEYE shall jointly appoint an individual as Arbitrator ("Arbitrator"). If the Parties do not appoint an Arbitrator within sixty (60) days of the Arbitration Demand, the Parties shall petition the American Arbitration Association to appoint the Arbitrator. The Arbitrator shall be an active or retired officer of a property and casualty insurance or reinsurance company or such other individual as the Parties mutually agree. The Arbitrator shall be impartial and independent. Prior to accepting appointment, a prospective Arbitrator shall disclose to the Parties any circumstance likely to give rise to justifiable doubts as to the Arbitrator's impartiality or independence. If, at any stage during the arbitration, new circumstances arise that may give rise to such doubts, an Arbitrator shall promptly disclose such circumstances to the Parties.

11.3 Arbitration Procedure. The arbitration hearings shall be held in Boston, Massachusetts or such other place as may be mutually agreed. The arbitration hearings shall begin within sixty (60) days of the selection of the Arbitrator or within such longer period as may be agreed by the Arbitrators. The Arbitrator shall not be obliged to follow judicial formalities or the rules of evidence except to the extent required by governing law, that is, the state law of the situs of the arbitration as herein agreed; the Arbitrator shall make its decisions according to the practice of the insurance and reinsurance business. The decision rendered by the Arbitrator shall be final and binding on all Parties. Such decision shall be a condition precedent to any right of legal action arising out of the arbitrated dispute which any Party may have against any other Party. Judgment upon the award rendered may be entered in any court in the State of Ohio or the State of Georgia having jurisdiction thereof.

11.4 Expenses. Each Party shall bear its own costs in connection with any such arbitration including, without limitation, (i) all legal, accounting, and any other professional fees and expenses and (ii) all other costs and expenses each Party incurs to prepare for such Arbitration. Other than as set forth above, each Party shall pay one-half of the fee and expenses of the Arbitrator and one-half of the other expenses that the Parties jointly incur directly related to the arbitration proceeding.

11.5 Governing Rules. Except as provided above, the arbitration shall be based, insofar as applicable, upon the Commercial Arbitration Rules of the American Arbitration Association.

ARTICLE XII MISCELLANEOUS

12.1 Expenses. Except as otherwise specifically provided in this Agreement, all costs

and expenses incurred in connection with this Agreement and the MGM Transactions shall be paid by the Party incurring such costs or expenses, whether or not the transactions contemplated hereby are consummated.

12.2 Actions Subsequent to Closing. From and after the Closing, each Party will, from time to time, at the reasonable request of the other Party and without further consideration (but at the expense of the requesting party) do, execute, acknowledge, and deliver all such further acts, deeds, assignments, transfers, conveyances, certificates, and assurances as may be reasonably required by such other Party to effect the MGM Transactions.

12.3 Entire Agreement. The MGM Transaction Documents, including all schedules and exhibits thereof, contain the entire agreement and understanding between the Parties with respect to the subject matter hereof and thereof and supersede all prior discussions and agreements between and among the Parties relating to the subject matter hereof or thereof.

12.4 Severability. If any provision of this Agreement (or any portion thereof) or the application of any such provision (or any portion thereof) to any Person or circumstance shall be held invalid, illegal or unenforceable in any respect by a court of competent jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision hereof (or the remaining portion thereof) or the application of such provision to any other Persons or circumstances.

12.5 Amendments. This Agreement shall not be changed, modified, terminated, or discharged in whole or in part, except by an instrument in writing signed by all Parties hereto or their respective successors or permitted assigns; provided, however, that MGM shall not agree to amend this Agreement unless prior thereto the directors of MGM constituting at least two-thirds of the number of directors affirmatively vote to approve such amendment at an annual meeting or any special meeting of the MGM Board called for that purpose.

12.6 Assignment. No Party may assign this contract, its rights, or responsibilities hereunder to a third Person or Persons without the prior written consent of the other Party.

12.7 Waiver. Either Party may, only by an instrument in writing, waive compliance by the other Party with any term or provision of this Agreement on the part of such other Party to be performed or complied with. The waiver by any Party of a breach of any term or provision of this Agreement shall not be construed as a waiver of any subsequent breach. No extension of time for performance of any obligations or acts shall be deemed an extension of the time for performance of any other obligations or acts.

12.8 Governing Law. This Agreement will be governed by and construed in accordance with the laws of the State of Ohio (without giving effect to principles of conflicts of laws) applicable to a contract executed and to be performed in such state. Each Party to this Agreement hereby consents to personal jurisdiction over itself in state or federal court within

Ohio.

12.9 Notices. Except as otherwise provided in this Agreement, any notices, reports, or other communication required or permitted to be given hereunder shall be in writing unless some other method of giving such notice, report, or other communication is accepted by the Party to whom it is given and shall be given by being delivered at the following addresses to the Parties hereto:

(a) IF TO BUCKEYE:

Buckeye State Mutual Insurance Company
One Heritage Place
Piqua, OH 45356
Phone Number: (937) 778-5000
Attn: Doug Haines, President

with copies to:

Dungan & LeFevre Co., LPA
210 W. Main Street
Troy, Ohio 45373
Attention: William J. McGraw, III, Esq.

(c) IF TO MGM:

Middle Georgia Mutual Insurance Company
436 S. Hill Street
Griffin, GA 30224
Phone Number: (770) 227-4445
Attn: Terry Gordy, President

With copies to:

Morris Manning and Martin
1600 Atlanta Financial Center
3343 Peachtree Road NE
Atlanta, GA 30326
Attn: Jim Maxson, Esq.

All notices and other communications required or permitted under this Agreement that are addressed as provided in this paragraph shall be delivered by a reputable overnight carrier, or by U.S. registered or certified mail (return receipt requested and postage prepaid). Notice shall be deemed given upon the first Business Day after actual delivery to the party to whom such notice or other communication is sent (as evidenced by the return receipt or

shipping invoice signed by a representative of such party). Any Party from time to time may change its address for the purpose of notices to that Party by giving a similar notice specifying a new address, but no such notice will be deemed to have been given until it is actually received by the Party sought to be charged with the contents thereof.

12.10 Interpretation. The headings used in this Agreement have been inserted for convenience and do not constitute matter to be construed or interpreted in connection with this Agreement. Unless the context of this Agreement otherwise requires, (a) words of any gender will be deemed to include each other gender, (b) words using the singular or plural number will also include the plural or singular number, respectively, (c) the terms hereof, herein, hereby, and derivative or similar words will refer to this entire Agreement, and (d) the terms include, includes and including shall be deemed to be followed by the words without limitation.

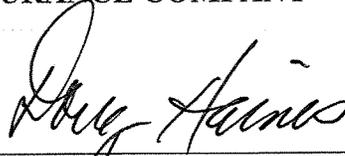
12.11 Counterparts. This Agreement may be executed simultaneously in any number of counterparts, each of which will be deemed an original, but all of which will constitute one and the same instrument.

12.12 No Third-Party Beneficiaries; Retention of Authority. This Agreement and the other Transaction Documents are only for the benefit of the Parties and do not confer any right, benefit or privilege upon any Person not a party to this Agreement, except for the rights of Indemnified D&O Parties pursuant to Section 3.1(d).

12.13 Binding Effect. This Agreement will apply to and inure to the benefit of and be binding upon and enforceable against each Party and their respective successors and permitted assigns.

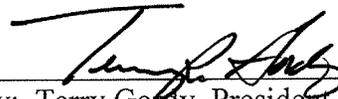
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first written above.

**BUCKEYE STATE MUTUAL
INSURANCE COMPANY**



By: Doug Haines, President

**MIDDLE GEORGIA MUTUAL
INSURANCE COMPANY**



By: Terry Gordy, President