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I. CONSIDERATION CLAUSE

IN CONSIDERATION of the payment of an agreed premium and subject to the Declarations and pursuant to all the terms, conditions, exclusions and limitations of this bond, the Company agrees to indemnify the Named Insured as set forth in ITEM 1 of the Declarations (herein called Insured) for:

II. INSURING AGREEMENTS

A. FIDELITY

Coverage A.1. Employee Dishonesty

Loss resulting directly from dishonest or fraudulent acts committed by an Employee acting alone or in collusion with others. Such dishonest or fraudulent acts must be committed by the Employee with the intent:

1. to cause the Insured to sustain such loss; or

2. to obtain improper financial benefit for the Employee or another person or entity.

If, however, some or all of the Insured's loss results directly or indirectly from any Loan, that portion of the loss is not covered unless:

a. the Employee acted with the intent to cause the Insured to sustain such loss; and

b. the Employee has received, in connection therewith, an improper financial benefit, or other persons with whom the Employee was dishonestly or fraudulently acting in collusion received proceeds from such Loan, and the Insured establishes that the Employee intended to share or participate in the proceeds of such Loan.

Coverage A.2. Trading Loss

Loss resulting directly from dishonest or fraudulent acts, with respect to trading, whether in a genuine or fictitious account, in the name of the Insured or otherwise, committed by an Employee acting alone or in collusion with others. Such dishonest or fraudulent acts must be committed by the Employee with the intent:

1. to cause the Insured to sustain such loss; and

2. to obtain improper financial benefit for the Employee, or another person or entity.

Such loss is not covered unless:

a. the Employee has received, in connection therewith, an improper financial benefit; or

b. other persons, with whom the Employee was dishonestly or fraudulently acting in collusion, received proceeds from the trading, and the Insured establishes that the Employee intended to share or participate in the proceeds of such trading.

Coverage A.3. ERISA

Loss of, or damage to, Property that belongs to an Employee Benefit Plan, resulting directly from fraud or dishonesty committed by an Employee acting alone or in collusion with others. Such fraud or dishonesty
must be committed by the Employee with the intent:

a. to cause the Employee Benefit Plan to sustain such loss; or

b. to obtain improper financial benefit for the Employee or another person or entity.

As used within Insuring Agreement A.3., “fraud or dishonesty” has the meaning set forth in Title 29, Code of Federal Regulations, Section 2580.412-9.

As used throughout Coverage A.1., A.2., and A.3. of this Insuring Agreement, “financial benefit” does not include any employee benefits earned in the normal course of employment or performance of specified contractual duties, including: wages, salaries, commissions, fees, bonuses, promotions, awards, profit sharing, or pensions.

Coverage A.4. Restoration Expenses

Restoration Expenses resulting from a Computer Violation by an Employee.

B. ON PREMISES

1. Loss of Property resulting directly from:

   a. robbery, burglary, mysterious unexplainable disappearance or misplacement, damage, or destruction; or

   b. theft, false pretenses, or common law or statutory larceny, committed by a person physically present in the Insured’s office or on the Insured’s premises at the time the Property was surrendered,

   while the Property is lodged or deposited within offices or premises located anywhere. The premises of The Depository Trust & Clearing Corporation will be deemed premises of the Insured, but solely as respects loss of Certificated Securities. Coverage for Certificated Securities held by such depository is limited to the extent of the insured’s interest therein as effected by the making of appropriate entries on the books and records of such depository.

2. Loss of Property:

   a. through any hazard specified in Insuring Agreement B.1., while such Property is within any of the Insured’s offices and in the possession of any customer of the Insured, any representative of such customer, or any Employee;

   b. through robbery of any customer of the Insured or representative of such customer, while such customer or representative is actually transacting business with the Insured at an outside window, or other similar facility offered to the public, that is attended by an Employee, at any of the Insured’s offices covered hereunder; or

   c. through robbery of any customer of the Insured, any representative of such customer, or any Employee during normal business hours while such customer, representative, or Employee is present, for the purpose of transacting business with the Insured, in a building, or on a driveway, parking lot, or similar facility maintained by the Insured as a convenience for such customers, representatives, or Employees using motor vehicles,

   whether or not the Insured is liable for the loss thereof, and provided such loss, at the option of the Insured, is included in the Insured’s proof of loss, but excluding, in any event, loss caused by such customer, any representative of such customer or any Employee.

3. Loss of or damage to:

   a. furnishings, fixtures, supplies, or equipment within an office of the Insured covered under this bond resulting directly from larceny or theft in, or by burglary or robbery of such office or attempt thereof, or by vandalism or malicious mischief;
b. such office, or the interior of such office, resulting from larceny or theft in, or by burglary or robbery of such office or attempt thereat, or by vandalism or malicious mischief; or

c. any of the Insured's buildings in which the Insured's offices or branches are located, caused by larceny, theft, burglary, robbery or attempt thereat,

provided that: (i) the Insured is the owner of such furnishings, fixtures, supplies, equipment, office or building or is liable for such loss or damage; and (ii) the loss or damage is not caused by fire.

C. IN TRANSIT

Loss of Property resulting directly from robbery, common law or statutory larceny, theft, mysterious unexplainable disappearance or misplacement, damage, or destruction, while the Property is in transit anywhere in the custody of:

1. a Messenger, including while such Property is temporarily within the living quarters of a Messenger;

2. a Transportation Company while being transported in an armored motor vehicle; or

3. a Transportation Company while being physically (not electronically) transported in a conveyance other than an armored motor vehicle, provided that covered Property transported in such manner is limited to the following:

   a. books of account and other records stored on tangible media;

   b. Certificated Securities issued in registered form and not endorsed, or with restrictive endorsements;

   c. Negotiable Instruments not payable to bearer, not endorsed, or with restrictive endorsements; and

   d. United States Savings Bonds or Armed Forces Leave Bonds paid or redeemed by the Insured, while in the course of collection for payment or redemption by the United States.

Coverage under Insuring Agreement C. begins immediately upon the receipt of such Property by the Messenger or Transportation Company and ends immediately upon delivery to the designated recipient or its agent, but only while the Property is being conveyed.

D. FORGERY OR ALTERATION

Loss resulting directly from the Insured having, in good faith, paid or transferred any Property in reliance on any Original Written:

1. Negotiable Instrument (except an Evidence of Debt);

2. Certificate of Deposit;

3. Letter of Credit;

4. Withdrawal Order;

5. Acceptance;

6. receipt for the withdrawal of Property; or

7. instruction or advice directed to the Insured and purportedly signed by a customer of the Insured or by a Financial Institution,

that: (i) bears a handwritten signature that is a Forgery; or (ii) is Altered, but only to the extent the Forgery or Alteration directly causes the loss.
Actual physical possession by the Insured of the items listed in 1. through 7. is a condition precedent to the Insured having relied on the faith of such items.

For purposes of Insuring Agreement D., a **Negotiable Instrument** submitted directly to the Insured by a customer for deposit in the customer’s pre-existing account with the Insured will be deemed an **Original Written** in the physical possession of the Insured if, prior to receiving credit for the **Negotiable Instrument**, the customer submitted the deposit by an electronic communication that included an image of the **Negotiable Instrument** in a format that would enable the Insured to print a copy of the **Negotiable Instrument**. It is not necessary for the Insured to actually have printed a copy of the **Negotiable Instrument**. A **Negotiable Instrument** will be considered submitted directly to the Insured if it is transmitted by the customer to the Insured, or to a third party under written contract with the Insured to process such deposits on the Insured’s behalf.

### E. SECURITIES

Loss resulting directly from the Insured having, in good faith, for its own account or for the account of others:

1. acquired, sold, delivered, or given value, extended credit or assumed liability on the faith of any **Original Written** document that is a (an):
   a. **Certificated Security**;
   b. **Document of Title**;
   c. deed, mortgage, or other instrument conveying title to, or creating or discharging a lien on, real property;
   d. **Certificate of Origin or Title**;
   e. **Certificate of Deposit**;
   f. **Evidence of Debt**;
   g. corporate, partnership, or personal **Guarantee**;
   h. **Security Agreement**;
   i. **Instruction**; or
   j. **Statement of Uncertificated Security**, that: (i) bears a handwritten signature that is material to the validity or enforceability of the security, and is a **Forgery**, but only to the extent the **Forgery** directly causes the loss; (ii) is **Altered**, but only to the extent the **Alteration** directly causes the loss; or (iii) is lost or stolen;

2. guaranteed in writing, or witnessed any handwritten signature upon any transfer, assignment, bill of sale, power of attorney, **Guarantee**, endorsement, or any items listed in items 1.a. through 1.i. above which is a **Forgery**;

3. acquired, sold or delivered, given value, extended credit or assumed liability, on the faith of any item listed in 1.a. through 1.d. above, that is a **Counterfeit**; or

4. become liable to any issuer of securities, transfer agent, registrar, redemption agent, depository, trustee, **Financial Institution**, or paying, distributing, or disbursing agent, or their respective legal representatives, successors, or assigns (collectively, “Agents and Issuers”) by reason of having executed an indemnity agreement with Agents and Issuers wherein such liability arises from the unauthorized use of the Insured’s Securities Transfer Agents Medallion Program (STAMP) imprint, STAMP Attorney Release imprint, Stock Exchange Medallion Program (SEMP) imprint, New York Stock Exchange Medallion Signature Program (MSP) imprint, Signature Validation Program (SVP) imprint, or other similar signature validation program for the purpose of:
a. executing guarantees of signatures (within the meaning of § 8-312 of the Uniform Commercial Code) and executing other certifications and guarantees incident to the transfer, payment, exchange, or purchase of Certificated Securities, including erasure guarantees and one-and-the-same guarantees; and

b. executing powers of substitution;

provided the imprint device used by the Insured is proven to have been lost, stolen, or counterfeited and then used for the unauthorized purpose stated above.

Actual physical possession of the items listed in 1.a. through 1.j. above by the Insured is a condition precedent to the Insured having relied on the faith of such items. Actual physical possession of the items listed in 1.a. through 1.j. above by a correspondent Financial Institution, or other representative authorized to possess such items on behalf of the Insured, will satisfy the actual physical possession requirement if Loan Participation Coverage is indicated as included under Insuring Agreement E. in ITEM 5 of the Declarations.

F. KIDNAP AND RANSOM

1. Loss of Ransom paid by the Insured or any Insured Person resulting from any Kidnap.

2. Loss of Ransom paid by the Insured or any Insured Person resulting from an extortion threat communicated to the Insured or an Insured Person:

   a. to Kidnap or do bodily harm to an Insured Person;
   b. to damage the premises or Property of the Insured or an Insured Person; or
   c. to perpetrate Cyber Extortion,

   where such threat is made for the purpose of demanding a Ransom as a condition of not carrying out such threat.

3. Expense incurred by the Insured or an Insured Person in connection with a Kidnap covered by Insuring Agreement F., paragraph 1., an extortion threat covered under Insuring Agreement F., paragraph 2., or in connection with a Hijack or Detention for:

   a. investigating an extortion threat;
   b. negotiating a release of any Insured Person;
   c. paying a reasonable and lawful reward to an Informant for information leading to the arrest and conviction of the parties responsible for any loss under Insuring Agreement F., paragraphs 1. or 2.;
   d. paying a reasonable amount to independent public relations consultants, interpreters, or crisis response firms to resolve the threat, or to secure the release of any Insured Person;
   e. wages, salaries, commissions, or other financial benefits paid by the Insured to an Insured Person in the amount in effect on the date of the Kidnap, Detention or Hijack for a period not to exceed 5 years; provided such expense ceases at the earliest of: (i) 30 days following the Insured Person's release or the date the Insured Person returns to work; (ii) discovery of the Insured Person's death; or (iii) 120 days after the Insured receives the last credible evidence that the Insured Person is still alive;
   f. paying reasonable fees for independent psychiatric care, medical care (including costs of cosmetic or plastic surgery required to correct any permanent disfigurement sustained by an Insured Person), or legal advice incurred prior to the Insured Person's release and within 36 months following the Kidnap, Hijack, or Detention;
   g. paying reasonable personal financial loss of an Insured Person because of his or her physical inability to attend to personal financial matters due to a Kidnap, Detention, or Hijack; or
h. paying other reasonable expenses, with the consent of the Company, that are directly related to the Kidnap, Detention, Hijack, or extortion threat.

Indemnification for expenses described in Insuring Agreement F., paragraph 3. is in addition to the applicable Single Loss Limit of Insurance; provided that the amount payable for expenses incurred with respect to any one loss under Insuring Agreement F. will not exceed 50% of the Single Loss Limit of Insurance for Insuring Agreement F.

4. Loss due to destruction, disappearance, or wrongful appropriation of Ransom in a Kidnap, Detention, or Hijack situation, while such Ransom is being delivered to persons demanding the Ransom by anyone who is authorized by the Insured, or an Insured Person, to have custody of such Ransom.

5. Legal liability of the Insured for settlements, awards, fees, or judgments imposed upon, and paid by, the Insured as a result of an action for damages brought by or on behalf of an Insured Person or such Insured Person’s legal representative or shareholders, solely and directly as a result of a Kidnap, Detention, Hijack, or extortion threat.

As conditions precedent to the Company's liability under Insuring Agreement F.:

a. The Kidnap referred to in Insuring Agreement F., paragraph 1. or the extortion threat to Kidnap or do bodily harm referred to in Insuring Agreement F., paragraph 2. must occur solely and directly as the result of the Insured Person's association with the Insured and not as the result of such Insured Person's association or position with any other entity.

b. The Insured agrees to reimburse an Insured Person for loss of Ransom paid by such Insured Person.

c. The Insured or Insured Person must approve the payment of Ransom prior to the surrender thereof, and make every reasonable attempt to:

(1) determine that the Kidnap or extortion threat has actually occurred or determine with reasonable certainty that the Cyber Extortion is technologically credible;

(2) give immediate notice to the Company;

(3) notify the Federal Bureau of Investigation or other law enforcement agency having jurisdiction over the demand for Ransom and comply with their recommendations and instructions; and

(4) notify the Insured.

G. COUNTERFEIT MONEY AND COUNTERFEIT MONEY ORDERS

Loss resulting directly from the receipt by the Insured, in good faith, of Counterfeit Money of the United States, including U.S. territories and possessions, Canada, or any other country, or of Counterfeit money orders denominated in United States or Canadian currency.

H. CLAIM EXPENSE

Reasonable expenses necessarily incurred and paid by the Insured in preparing any covered claim for loss under any Insuring Agreement covered under this bond, which loss exceeds the Single Loss Deductible Amount applicable to such Insuring Agreement. Such expenses include costs incurred, including necessary wages of Employees, for that part of audits or examinations performed, whether or not required by state or federal supervisory authorities and whether conducted by such authorities, or by independent accountants, by reason of the discovery of loss sustained by the Insured.

I. INDEMNITY FOR INJURY OR DEATH OF DIRECTORS OR EMPLOYEES

1. Payments of Money the Insured, at its own discretion, makes to any of its directors or Employees, who, during the term of this bond and while performing services anywhere for the Insured, have sustained bodily injury inflicted by a person who is committing or attempting to commit any act of larceny, theft, robbery, or burglary; provided, that the Company's maximum liability for the total payments made to any one director or
Employee are limited to no more than $500 per week during the period the director or Employee requires medical or surgical treatment, hospital confinement, or the services of a trained nurse, or psychiatric consultation or counseling by a licensed professional, as a result of injury inflicted during such an event, not to exceed a total of $10,000.

2. Payments of Money the Insured, at its own discretion, makes to the survivors or estates of its directors or Employees, who during the term of this bond were performing services anywhere for the Insured, and die as the result of bodily injury inflicted by a person who is committing or attempting to commit any act of larceny, theft, robbery, or burglary; provided, such payments will not exceed $10,000, and will be reduced by any amounts paid under Insuring Agreement I., paragraph 1.

J. SERVICING CONTRACTORS

1. Loss resulting directly from any dishonest or fraudulent acts committed by a Servicing Contractor, acting alone or in collusion with others. Such dishonest or fraudulent acts must be committed by such Servicing Contractor with the intent:
   a. to cause the Insured to sustain such loss; and
   b. to obtain improper financial benefit for the Servicing Contractor or another person or entity.

2. Loss of Money collected or received for the Insured by a Servicing Contractor through the failure of such Servicing Contractor to pay to the Insured the Money collected or received as is discovered to be due and payable while Insuring Agreement J. is in force, except, however, Money disbursed by such Servicing Contractor in accordance with instructions from the Insured.

As used throughout Insuring Agreement J., financial benefit does not include any benefits earned in the normal course of employment or performance of the servicing contract, including: wages, salaries, commissions, fees, bonuses, promotions, awards, profit sharing, or pensions.

K. AUTOMATED TELLER MACHINES

Loss of Property while such Property is located within an Automated Teller Machine caused by burglary, damage to, or destruction of the Property, and for the damage to, or destruction of such Automated Teller Machine caused by burglary or attempt thereat; provided Insuring Agreement K. does not cover:

1. damage to the interior of a building containing an Automated Teller Machine, to which the public has access, resulting from vandalism or malicious mischief; or

2. loss sustained by any customer of the Insured, or any representative of such customer, while such person is on premises containing an Automated Teller Machine, unless such person is transacting business at the Automated Teller Machine and the loss is caused by robbery; or

3. loss caused by fire, except for loss of Money.

L. TRANSIT CASH LETTERS

1. Loss of any item or electronic image, or data representing such item, enclosed in or attached to a Transit Cash Letter (which item, electronic image, or data representing such item, has been lost or missing for at least 20 days after the Insured learns that the same has not arrived at its destination), while in transit during the course of collection, presentation or payment, between any office of the Insured and any place in the United States, including U.S. territories or possessions, or Canada;

2. loss of a canceled check drawn by a customer, or electronic image or data representing such check, after such check has been charged to the customer’s account and after a statement of the condition of that account purporting to enclose such check, or electronic image or data representing such check, has been delivered or dispatched to the customer;

3. overtime wages paid to regular Employees, wages paid to extra Employees engaged in identifying the depositor of the lost item, or the item whose electronic image or data was lost, and assisting the depositor in
obtaining a duplicate thereof, and necessary costs incurred for the use of mechanical devices and materials in obtaining a duplicate of the Transit Cash Letter item, electronic image, or data representing such item, where such devices and materials are not owned by the Insured; or

4. loss of a check, promissory note, draft, or similar item, or electronic image or data representing such item, sent by the Insured to an Electronic Data Processor while such item, or electronic image or data representing such item, is in transit either from the Insured to the Electronic Data Processor or from the Electronic Data Processor to the Insured or between offices of the Insured; provided that all such items are endorsed, stamped, or otherwise marked in a manner that impairs further negotiability.

As a condition precedent to recovery under Insuring Agreement L., the Insured will (i) to the best of its ability, take and retain a photograph or digital image of the front (face) of each item bearing not more than one endorsement and the front (face) and the back of each item bearing more than one endorsement; or (ii) make a record of the name of the issuer, drawer or maker of each check, promissory note, draft or similar item with all other descriptive data necessary for the purpose of reconstruction. Provided, nothing in this paragraph bars the Insured from recovery where no photograph or digital image is available because of the mechanical failure of the device used in making such photograph or digital image, failure of the film or digital imaging system to reveal the image, damage or destruction to film (developed or undeveloped) from any cause, or error or omission of an Employee in operating microfilming, digital imaging, or similar equipment. This condition does not apply to checks enclosed with customers' statements.

M. SAFE DEPOSIT BOX

Coverage M.1. Legal Liability

Sums which the Insured becomes legally obligated to pay by reason of liability for loss, damage, or destruction of Money, bonds, drafts, Acceptances, other Certificated Securities, valuable papers, valuable documents, jewelry, silverware, and other customer property, while in the customers' safe deposit boxes in vaults on the premises of the Insured. Such legal liability includes liability for loss arising from relocation of the Insured's safe deposit boxes between offices of the Insured, or vaults within the same premises of the Insured.

Coverage M.2. Loss of Customers' Property

Loss of customers' Property, except Money (unless Money is stated as being included in Insuring Agreement M.2. in ITEM 5 of the Declarations), while in customers' safe deposit boxes in vaults on the premises of the Insured, by burglary or robbery or attempt thereat or for damage to or destruction of such items, provided such loss is included in the Insured's proof of loss.

Customer Property described in Insuring Agreement M.2. is covered while stored in such vaults by or for customers, or temporarily elsewhere on the premises of the Insured, and in the course of deposit in, or removal from, such boxes or vaults. Such Property may be owned by customers or held by them in any capacity, whether or not the customers are liable to others for loss thereof.

N. REAL PROPERTY MORTGAGES - DEFECTIVE SIGNATURES

Loss resulting directly from the Insured, in good faith and in the course of business, in connection with any Loan, having accepted, received, or acted upon the faith of any Original Written:

a. real property mortgages, real property deeds of trust, or like instruments pertaining to realty; or

b. assignments of such mortgages, deeds of trust, or instruments,

that prove to have been defective by reason of the signature thereon of any person having been obtained through trick, artifice, fraud, or false pretenses, or the signature on the recorded deed conveying such real property to the mortgagor or grantor of such mortgage or deed of trust having been obtained by, or on behalf of, such mortgagor or grantor through trick, artifice, fraud, or false pretenses.

O. STOP PAYMENT ORDERS OR WRONGFUL DISHONOR OF CHECKS

Damages that the Insured becomes legally liable to pay its customers resulting directly from the Insured having:
1. failed to comply with a notice from its customer, or any authorized representative of such customer, to stop payment on a check or draft made or drawn by such customer; or

2. wrongfully dishonored or wrongfully failed to certify a check or draft made or drawn by its customer or any authorized representative of such customer.

Notwithstanding any other provision of this bond, damages under paragraph 2 do not include the amount of any check or draft in question, or any amounts paid to the payee, endorser, or accommodation party of such check or draft.

P. COMPUTER SYSTEMS

Coverage P.1. Computer Fraud

Loss resulting directly from Computer Fraud.

Coverage P.2. Fraudulent Instructions

A. Loss resulting directly from the Insured having, in good faith, transferred funds on deposit in a Customer’s account as a result of a Fraudulent Instruction when the Insured, prior to transferring the funds, used its reasonable best efforts to verify the identity of the person transmitting the instruction; provided that if the instruction is purported to be from a Customer, the Insured performed an Out-of-Band Verification and followed a Security Procedure with respect to such instruction.

Such Fraudulent Instruction received and, if applicable, Out-of-Band Verification performed, must be either recorded, logged, or documented by the Insured. With respect to Commercial Customers, coverage only applies if the transmittal method by which the Insured received the Fraudulent Instruction was a transmittal method authorized by the Commercial Customer in the Funds Transfer Agreement.

B. Loss resulting directly from a fraudulent ACH debit from a Customer’s account that was originated through a Financial Institution, provided: (i) such Customer provides a sworn affidavit stating that the debit was not authorized; and (ii) the Insured attempted to recover the fraudulent ACH debit as allowed under the ACH rules.

Coverage P.3. Remote Access PBX System Fraud

Loss resulting directly from Remote Access PBX System Fraud.

Coverage P.4. Restoration Expenses

Restoration Expenses incurred by the Insured resulting from a Computer Violation by someone other than an Employee.

Q. EXCESS SECURITIES

Coverage Q.1. On Premises

Loss of Certificated Securities exceeding the Single Loss Limit of Insurance of Insuring Agreement B. resulting directly from:

a. robbery, burglary, mysterious unexplainable disappearance or misplacement, damage, or destruction; or

b. theft, false pretenses or common-law or statutory larceny, committed by a person physically present in an office of, or on the premises of, the Insured at the time the Certificated Securities were surrendered,

while such Certificated Securities are lodged or deposited within offices or premises located anywhere. The premises of The Depository Trust & Clearing Corporation will be deemed premises of the Insured, but solely as respects loss of Certificated Securities. Coverage for Certificated Securities held by such depository is
limited to the extent of the Insured’s interest therein as effected by the making of appropriate entries on the books and records of such depository.

Coverage Q.2. In Transit

Loss of Certificated Securities exceeding the Single Loss Limit of Insurance of Insuring Agreement C., resulting directly from robbery, common law or statutory larceny, theft, mysterious unexplainable disappearance or misplacement, damage, or destruction, while the Certificated Securities are in transit anywhere in the custody of:

a. a Messenger including while such Certificated Securities are temporarily within the living quarters of a Messenger;

b. a Transportation Company while being transported in an armored motor vehicle; or

c. a Transportation Company while being transported in a conveyance other than an armored motor vehicle, provided that Certificated Securities transported in such a manner are issued in registered form and not endorsed, or with restrictive endorsements.

Coverage under Insuring Agreement Q.2. begins immediately upon receipt of such Certificated Securities by the Messenger or Transportation Company, and ends immediately upon delivery to the designated recipient or its agent, but only while the Certificated Securities are being conveyed.

III. GENERAL AGREEMENTS

A. NOMINEES

Loss sustained by any nominee organized by the Insured for the purpose of handling certain of its business transactions and composed exclusively of its Employees will, for all the purposes of this bond be deemed to be loss sustained by the Insured, whether or not any partner of such nominee is implicated in such loss.

B. ORGANIC GROWTH

If the Insured, while this bond is in force, establishes additional offices or adds Employees, other than by consolidation or merger with, or purchase or acquisition of assets or liabilities of, another institution, such offices and Employees will automatically be covered under this bond from the date of such establishment without the requirement of notice to the Company or the payment of additional premium for the remainder of the Policy Period as set forth in ITEM 2 of the Declarations.

Any newly established or created entity not resulting from a consolidation or merger with, or purchase or acquisition of assets or liabilities of another institution, of which greater than 50% is owned by an Insured covered under this bond, will be automatically covered under this bond from the date of such establishment or creation without the requirement of notice to the Company or the payment of additional premium for the remainder of the Policy Period as set forth in ITEM 2 of the Declarations.

C. CONSOLIDATION - MERGER - PURCHASE OF ASSETS

If the Insured, while this bond is in force, consolidates or merges with, or purchases or acquires assets or liabilities of, or purchases or acquires more than 50% voting stock or total ownership interest of, another institution (hereinafter referred to as a “Transaction”), coverage under this bond for loss that:

1. has occurred or will occur in the offices or premises of such institution;

2. has been caused or will be caused by any employee or employees of such institution; or

3. has arisen or will arise out of the assets or liabilities acquired by the Insured as a result of such Transaction, is provided as follows:
a. Automatic Loss Sustained Coverage

If a Transaction involves assets and liabilities in an amount that is:

(1) more than 30% of the consolidated assets of all Insureds as of the most recent calendar year-end preceding the date of the Transaction; or

(2) 30% or less of the consolidated assets of all Insureds as of the most recent calendar year-end preceding the date of the Transaction, and:

(a) the Transaction was regulatory-assisted;

(b) the organization merged or acquired was the subject of any regulatory prompt corrective action directive, cease and desist order, consent order, memorandum of understanding, letter of agreement, or any other similar regulatory directive, order or agreement, at the time of the Transaction; or

(c) the organization merged or acquired had paid or pending losses during the three-year period before the Transaction date, of the type covered by this bond, which were in excess of the single loss deductible amount applicable under the prior coverage carried by the organization merged or acquired,

then coverage of this bond as respects the Transaction will be afforded for a **Single Loss** that is both discovered and for which the acts giving rise to the loss occur in their entirety on or after the effective date of the Transaction. This coverage terminates 90 days after the Transaction date, or the termination date of the bond, whichever is earlier, unless the Insured obtains the written consent of the Company and pays the Company an additional premium, if required.

b. Automatic Discovery Coverage

If a Transaction involves assets and liabilities in an amount that is 30% or less of the consolidated assets of all Insureds as of the most recent calendar year-end preceding the date of the Transaction, and:

(1) the Transaction was not regulatory-assisted;

(2) the organization merged or acquired was not the subject of any regulatory prompt corrective action directive, cease and desist order, consent order, memorandum of understanding, letter of agreement, or any other similar regulatory directive, order or agreement, at the time of the Transaction; and

(3) the organization merged or acquired had no paid or pending losses during the three-year period before the Transaction date, of the type covered by this bond, that were in excess of the single loss deductible amount applicable under the prior coverage carried by the organization merged or acquired,

then coverage of this bond as respects the Transaction will be afforded for a **Single Loss** that is discovered on or after the effective date of the Transaction, for the remainder of the Policy Period, without additional premium or notice to the Company of the Transaction.

D. CHANGE OF OWNERSHIP - NOTICE

When an Insured learns of a change of ownership by a single stockholder or by a group of affiliated stockholders, of more than 10% of the voting stock or ownership interest of the Insured, or of a holding company or a parent corporation that owns or controls the Insured, it must give written notice to the Company as soon as practicable, but no later than 30 days after such change of ownership. Failure to give the required notice will result in termination of coverage, effective upon the date of the transfer of stock or ownership interest, for any loss involving a transferee of such stock or ownership interest.
E. REPRESENTATION OF INSURED

No statement made by or on behalf of the Insured, whether contained in the application or otherwise, is deemed to be a warranty of anything, except that it is true to the best of the knowledge and belief of the person making the statement.

F. JOINT INSURED

This bond does not indemnify or hold harmless any Insured for loss sustained by a proprietorship, partnership, or corporation that is owned, controlled, or operated by such Insured but is not named as an Insured, except as may be provided on a limited basis within General Agreement B.; provided this paragraph does not apply to loss sustained by a nominee organized by an Insured hereunder other than a holding company.

If two or more Insureds are covered under this bond, the first named Insured will act for all Insureds. Payment by the Company to the first named Insured of loss sustained by any Insured fully releases the Company on account of such loss. If the first named Insured ceases to be covered under this bond, the Insured next named will thereafter be considered the first named Insured. In the absence of an Insured being specifically next named, the Insured entity having the greatest consolidated assets of all remaining Insureds then becomes the first named Insured. Knowledge possessed or discovery made by any Insured constitutes knowledge or discovery by all Insureds for all purposes of this bond. The liability of the Company for loss or losses sustained by all Insureds will not exceed the amount for which the Company would have been liable had all such loss or losses been sustained by one Insured.

If this bond covers loss sustained by two or more Employee Benefit Plans or one Employee Benefit Plan and an Insured other than such plan, it is the obligation of the Insured or the plan administrator under regulations published by the Secretary of Labor implementing Section 13 of the Welfare and Pension Plans Disclosure Act of 1958 to obtain (under one or more bonds issued by one or more insurers) an amount of coverage for each such plan at least equal to that which would be required if such plans were bonded separately.

In compliance with the foregoing paragraph, payment by the Company in accordance with provisions of this bond will be held by the first named Insured, for the use and benefit of any Employee Benefit Plan sustaining loss so covered. To the extent that such payment is in excess of the amount of coverage required by regulations applicable to said plan sustaining such loss, such excess will be held for the use and benefit of any other Employee Benefit Plan also covered in the event that such other plan discovers that it has sustained loss covered under this bond.

If Money or other Property of two or more Employee Benefit Plans covered under this bond is commingled, recovery for loss of such Money or other Property through fraudulent or dishonest acts of Employees will be shared by each Employee Benefit Plan sustaining such loss, in the proportion that the limit of insurance required under the Employee Retirement Income Security Act of 1974 (ERISA) for each such Employee Benefit Plan bears to the total of such limits of insurance.

G. COURT COSTS AND ATTORNEY’S FEES - LEGAL PROCEEDINGS - ELECTION TO DEFEND

The Company will indemnify the Insured for court costs and reasonable attorney’s fees incurred and paid by the Insured in defending any suit or legal proceeding brought against the Insured to enforce the Insured's liability, or alleged liability, on account of any loss, claim, or damage that, if established against the Insured, would constitute a collectible loss under this bond in excess of any Single Loss Deductible Amount. Such indemnity is part of, and not in addition to, the Single Loss Limit of Insurance for the applicable Insuring Agreement or Coverage.

The Insured must notify the Company at the earliest practicable moment, not to exceed 90 days after notice thereof, of any such suit or legal proceeding, and at the request of the Company will furnish copies of all pleadings and other papers therein. At the Company's election the Insured will permit the Company to conduct the defense of such suit or legal proceeding, in the Insured's name, through attorneys of the Company's selection. In such event, the Insured will give all reasonable information and assistance, other than pecuniary, that the Company deems necessary to the defense of such suit or legal proceeding.

If the amount of the Insured's liability or alleged liability is greater than the amount recoverable under this bond, or if a Single Loss Deductible Amount is applicable, or both, then the liability of the Company under General Agreement G is limited to the proportion of court costs and attorney’s fees incurred and paid by the Insured or by
the Company that the amount recoverable under this bond bears to the total amount of the Insured's liability or alleged liability. Any amount not recoverable because the Insured's liability or alleged liability is greater than the amount recoverable under any insuring agreement of this bond, does not serve to reduce the Single Loss Deductible Amount applicable to such Insuring Agreement or coverage.

If the Company pays court costs and attorney's fees in excess of its proportionate share of such costs and fees, the Insured will promptly reimburse the Company for such excess.

**H. REWARD PAYMENTS**

The Company agrees to indemnify the Insured up to an amount of $15,000 per event, for any reward paid by the Insured for information leading to the apprehension of any person who, while this bond is in effect, robbed any of the Insured's messengers, or robbed or burglarized the Insured's offices or branches, or made an attempt thereat.

**IV. DEFINITIONS**

Where appearing in this bond, in either the singular or the plural, words and phrases appearing in bold type have the meanings set forth below. Where such words or phrases appear consecutively, each will retain its individual meaning.

- **Acceptance** means a **Written** draft that the drawee has, by signature thereon, engaged to honor as presented.

- **Alteration** means: (i) an unauthorized change in a validly issued **Original Written** document that purports to modify in any respect the obligation of a party; or (ii) an unauthorized addition of words or numbers, or other change to a validly issued **Original Written** document relating to the obligation of a party. **Altered** means having been subjected to an **Alteration**.

- **Automated Teller Machine** means any automated mechanical device, point of sale terminal, video teller machine, or similar operating system that, on behalf of the Insured, disburses **Money**, accepts deposits, cashes checks, drafts, or similar written instruments, or makes credit card **Loans**.

- **Bond Period** has the meaning set forth in section **VI. CONDITIONS, B. BOND PERIOD**.

- **Certificate of Deposit** means a **Written** acknowledgment by an Insured or a **Financial Institution** of receipt of **Money** with an engagement to repay it.

- **Certificate of Origin or Title** means a **Written** document issued by a manufacturer of personal property or a governmental agency evidencing the ownership of the personal property and by which ownership is transferred.

- **Certificated Security** means a share, participation or other interest in property of, or an enterprise of, the issuer or an obligation of the issuer, that is:
  1. represented by a **Written** instrument issued in bearer or registered form;
  2. of a type commonly dealt in on securities exchanges or markets, or commonly recognized in any area in which it is issued or dealt in as a medium for investment; and
  3. either one of a class or series, or by its terms divisible into a class or series of shares, participations, interests, or obligations.

- **Change of Control** means:
  1. the acquisition of an Insured, or of all or substantially all of an Insured's assets, by an entity other than another Insured, or the merger or consolidation of an Insured into or with an entity other than another Insured, such that the acquired entity is not the surviving entity; or
  2. the obtaining by any person, entity, or affiliated group of persons or entities, other than another Insured, the right to elect, appoint, or designate more than 50%, or exercise a majority control, of the board of directors, board of trustees, board of managers, or functional equivalent of the Insured.
**Commercial Customer** means an entity or natural person maintaining an account with the Insured, other than primarily for personal, family or household purposes, that has a **Funds Transfer Agreement** with the Insured.

**Computer Fraud** means an intentional, unauthorized, and fraudulent entry of data or computer instructions directly into, or change of data or computer instructions within, a **Computer System** by a natural person or entity other than an **Employee**, including any such entry or change made via the Internet or a **Network**, provided that such entry or change causes:

1. **Property** to be transferred, paid or delivered;
2. an account of the Insured, or of its customer, to be added, deleted, debited or credited; or
3. an unauthorized or fictitious account to be debited or credited.

**Computer System** means:

1. any computer; and
2. any input, output, processing, storage or communication device, or any related network, cloud service, operating system, or application software, that is connected to, or used in connection with, such computer, that is rented by, owned by, leased by, licensed to, or under the direct operational control of, the Insured.

**Computer Violation** means:

1. the introduction of a **Computer Virus** into a **Computer System**; or
2. damage to, or destruction of, computer programs, software, or other electronic data stored within a **Computer System** by a natural person, who has (i) gained unauthorized access to such **Computer System**; or (ii) authorized access to such **Computer System**, but uses such access to cause such damage or destruction.

**Computer Virus** means any malicious code that could destroy, alter, contaminate, or degrade the integrity, quality, or performance of:

1. electronic data used, or stored, in any **Computer System**; or
2. a computer network, computer application software, or a computer operating system or related network.

**Consumer Customer** means a natural person maintaining an account with the Insured primarily for personal, family or household purposes.

**Counterfeit** means a **Written** imitation of an actual, valid, or verifiable **Original** that is intended to deceive and to be taken as the **Original**.

**Customer** means, only with respect to Insuring Agreement P.2., a **Commercial Customer** or a **Consumer Customer**.

**Cyber Extortion** means any threat made to the Insured by an individual, other than an identifiable **Employee**, expressing an intention to:

1. cause the Insured to transfer, pay, or deliver any funds or **Property** using a **Computer System** without the permission, authorization, and consent of the Insured;
2. sell or disclose information about a customer of the Insured that is unique to the relationship of the customer and Insured and is not otherwise publicly available; provided such information is stored in an electronic medium in a **Computer System** and is retrievable in a perceivable form;
3. alter, damage, or destroy any computer program, software, or other electronic data that is stored within a **Computer System**;
4. maliciously or fraudulently introduce a **Computer Virus** into a **Computer System** when such threat is premised upon actual or alleged unauthorized access to such **Computer System**;

5. initiate an intentional attack on a **Computer System** that depletes system resources or impedes system access available through the Internet to authorized external users of such **Computer System**; or

6. maliciously or fraudulently introduce malware into a **Computer System**.

**Detention** means the holding under duress of an **Insured Person**, for a period in excess of four hours, for whatever reason other than **Kidnap**.

**Document of Title** means a **Written** document that is a bill of lading, dock warrant, dock receipt, warehouse receipt, order for the delivery of goods, or other **Written** document that in the regular course of business or financing is treated as adequately evidencing that the person in possession of it is entitled to receive, hold, and dispose of the document and the goods it covers, and purports to be issued by or addressed to a bailee and to cover goods in the bailee’s possession that are either identified or are fungible portions of an identified mass.

**Electronic Data Processor** means a natural person, partnership, or corporation with the Insured’s **Written** authorization to perform services as a data processor of checks presented to the Insured by a customer or **Financial Institution**. **Electronic Data Processor** does not include a Federal Reserve Bank or clearinghouse.

**Electronic Record** means information created, generated, sent, communicated, received, or stored by electronic means that is retrievable in a perceivable form.

**Employee** means:

1. an officer or other natural person performing services for the Insured, while in the Insured’s service and subject to the Insured’s direction and control, and whom the Insured directly compensates by wages, salaries, or commissions; or for 60 days after such individual’s termination of service, provided such termination is not due to employee fraud or dishonesty;

2. a guest student or intern pursuing studies or duties in any of the Insured’s offices or premises covered hereunder, while such person is subject to the Insured’s direction and control and is performing services for the Insured;

3. any attorney retained by the Insured, and any employee of such attorney, but only while performing legal services for the Insured;

4. a person provided by an employment contractor to perform employee duties for the Insured under the Insured’s supervision at any of the Insured’s offices or premises covered hereunder including a natural person whose services are leased by the Insured under a written agreement between the Insured and a labor leasing firm, to perform duties related to the conduct of the Insured’s business;

5. an employee of an institution merged or consolidated with the Insured prior to the effective date of this bond, or, subject to General Agreement C., after the effective date of this bond, but only with respect to acts while an employee of such institution, causing said institution to sustain a loss, that was not known to the Insured or to the institution at the time of the merger or consolidation;

6. each natural person, partnership, or corporation authorized by the Insured to perform services as an **Electronic Data Processor** (each such **Electronic Data Processor**, and the partners, officers and employees of such **Electronic Data Processor** will collectively be deemed to be one **Employee** for all the purposes of this bond, except with respect to Condition S.2.);

7. a director or trustee of the Insured, other than one employed as a salaried, pensioned, or elected official or an employee of the Insured, when performing acts coming within the scope of the usual duties of an employee, or while acting as a member of any committee duly elected or appointed by resolution of the board of directors or trustees of the Insured to perform specific, as distinguished from general, directorial acts on behalf of the Insured;

8. any natural person director or trustee of the Insured while engaged in handling funds or other property of any **Employee Benefit Plan**;
9. any natural person volunteer while subject to the Insured’s direction and control and performing services for the Insured; and

10. any natural person former employee retained as a consultant, pursuant to a Written agreement with the Insured, while subject to the Insured’s direction and control and performing services for the Insured.

Employee also means an individual described above while on medical, military, or other leave of absence from the Insured, regardless of whether such person remains subject to the Insured’s direction and control during the time of leave.

Employee does not mean any agent, broker, factor, commission merchant, consignee, independent contractor, representative, or other person of the same general character not specified above.

Employee Benefit Plan means an employee welfare benefit plan or an employee pension benefit plan, as set forth in the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), that is controlled, operated, or sponsored solely by an Insured for the benefit of employees of the Insured.

Evidence of Debt means a Written instrument, including a Negotiable Instrument, executed, or purportedly executed, by a customer of the Insured and held by the Insured, which in the regular course of business is treated as evidencing the customer’s debt to the Insured.

Financial Institution means: (i) a bank, trust company, savings bank, credit union, savings and loan association, or similar thrift institution; or (ii) a stock brokerage firm, mutual fund, liquid assets fund or similar investment institution; provided that Financial Institution does not include any such entity, institution or organization that is an Insured.

Forgery means signing the name of another person or organization with a handwritten signature directly applied to a Written document without authority, and with the intent to deceive.

A signature written on an electronic pad that captures the signature for purposes of creating an electronic digitized image of a handwritten signature, or a reproduction of a handwritten signature, is treated the same as a handwritten signature. Any other form of electronic signature or digital signature is not treated the same as a handwritten signature.

Forgery does not mean a signature that consists in whole or in part of one’s own name signed with or without authority, in any capacity, for any purpose.

Fraudulent Instruction means an intentional, fraudulent, and unauthorized instruction directed to the Insured, that is transmitted:

1. via telefacsimile, and:
   a. purports and reasonably appears to be from a Customer, a Financial Institution, or another office of the Insured;
   b. was in fact transmitted by someone other than a Customer, a Financial Institution, or another office of the Insured; and
   c. purports and reasonably appears to contain the handwritten signature of a person authorized to initiate such transfer that proves to have been used by an unauthorized person;

2. verbally, other than in person, and purports to be from:
   a. an officer, director, partner, or employee of a Customer, who is authorized by the Customer to instruct the Insured to make such a transfer;
   b. a Customer who is a natural person; or
c. an Employee in another office of the Insured, who was authorized by the Insured to instruct other Employees to transfer funds on deposit in a Customer's account; and was received by an Employee specifically designated to receive and act upon such instructions,

but was in fact transmitted by someone other than a person described in this paragraph 2.; or

3. via electronic mail or through an Internet banking system operated by or on behalf of the Insured and purports and reasonably appears to be from a Customer of the Insured, but was in fact transmitted by someone other than such Customer.

**Funds Transfer Agreement** means an Original Written agreement, signed by the Commercial Customer, that:

1. authorizes the Insured to rely on voice, telefacsimile, electronic mail, or Internet banking system instructions to make funds transfers;

2. provides the Insured with the names of persons authorized to initiate funds transfers; and

3. establishes a specific Security Procedure that the Insured is obligated to follow to verify the authenticity of a funds transfer request.

**Guarantee** means a Written undertaking obligating the signer to pay the debt of another to the Insured or its assignee, or to a Financial Institution from which the Insured has purchased participation in the debt, if the debt is not paid in accordance with its terms.

**Guest** means any person visiting the premises of the Insured or a residence occupied by any Insured Person.

**Hijack** means the illegal holding of an Insured Person under duress, for a period in excess of four hours, while the Insured Person is traveling on an aircraft, motor vehicle, or waterborne vessel.

**Informant** means a person, other than an Insured Person, who provides information not otherwise obtainable by the Insured or an Insured Person, solely in return for a reward offered by the Insured or an Insured Person.

**Instruction** means a Written order to the issuer of an Uncertificated Security requesting that the transfer, pledge, or release from pledge of the Uncertificated Security specified be registered.

**Insured Person** means any Employee, Guest, relative of an Employee, or resident of or individual employed in the household of an Employee.

**Kidnap** means any event or connected series of events of seizing, detaining, abducting or carrying away by force or fraud, of one or more Insured Persons (except a minor by a parent thereof) by one person or collaborating persons for the purpose of demanding Ransom.

**Letter of Credit** means a Written engagement by a Financial Institution or other person made at the request of a customer that the Financial Institution or other person will honor drafts or other demands for payment upon compliance with the conditions specified in the Letter of Credit.

**Loan** means all extensions of credit by the Insured, all transactions creating a creditor relationship in favor of the Insured, and all transactions by which the Insured assumes an existing creditor relationship.

**Messenger** means an Employee while in possession of the Insured's Property away from the Insured's premises and any other natural person acting as custodian of the Property during an emergency arising from the incapacity of the original Employee.

**Money** means a medium of exchange in current use authorized or adopted by a domestic or foreign government as a part of its currency.

**Negotiable Instrument** means a Written document, that:

1. is signed by the maker or drawer;
2. contains an unconditional promise or order to pay a sum certain in **Money** and no other promise, order, obligation or power given by the maker or drawer;

3. is payable on demand or at a definite time; and

4. is payable to order or bearer.

**Negotiable Instrument** also means a **Counterfeit** check or **Substitute Check**.

**Network** means:

1. any and all services provided by or through the facilities of any electronic or computer communication system, including Fedwire, Clearing House Interbank Payment System (CHIPS), Society for Worldwide Interbank Financial Telecommunication (SWIFT), National Automated Clearing House Association (NACHA) and similar interbank payment or settlement systems; and

2. **Automated Teller Machines**, point of sale terminals, and other similar operating systems,

including any shared networks, internet access facilities, or other similar facilities for such systems in which the Insured participates, allowing the input, output, examination, or transfer of data or programs from one computer to a **Computer System**.

**Original** means the first rendering or archetype and does not include photocopies or electronic transmissions even if received and printed. Solely for the purposes of Insuring Agreement D., a **Substitute Check** will be considered **Original**.

**Out-of-Band Verification** means a communication with a purported **Customer**, to verify the identity of the **Customer** and the authenticity of a funds transfer request, when such verification communication is made:

1. in person while the purported **Customer** is physically present on the Insured’s premises and presenting a government-issued photo identification, or

2. using a communication method different than the communication method by which the purported **Customer** made the funds transfer request, provided such verification communication must be made using **Pre-Determined Customer Contact Information**.

**Out-of-Band Verification** does not include an electronic text message sent to a telephone number.

**Pre-Determined Customer Contact Information** means a telephone number, facsimile number, or electronic mail address that:

1. was provided by the **Customer** when the **Customer** opened the account with the Insured;

2. was provided in person by the **Customer** after the **Customer** opened the account with the Insured, while the **Customer** was physically present on the Insured’s premises, presenting a government-issued photo identification;

3. was provided in a **Funds Transfer Agreement**;

4. replaced a telephone number, facsimile number, or electronic mail address previously provided for the **Customer’s** account; provided that confirmation of the legitimacy of the change was achieved through separate verbal contact, initiated by the Insured, with the **Customer** at a telephone number described in subparts 1., 2., or 3. of this definition; or

5. replaced a telephone number, facsimile number, or electronic mail address previously provided for the **Customer’s** account, and was received by the Insured at least 30 days prior to the receipt of the **Fraudulent Instruction**.

**Property** means **Money**, **Certificated Securities**, **Uncertificated Securities**, **Negotiable Instruments**, **Certificates of Deposit**, **Documents of Title**, **Acceptances**, **Evidences of Debt**, **Security Agreements**, **Withdrawal Orders**, **SPECIMEN**.
Certificates of Origin or Title, Letters of Credit, insurance policies, abstracts of title, deeds and mortgages on real estate, revenue and other stamps, tokens, unsold state lottery tickets, books of account and other records whether Written or recorded electronically, gems, jewelry, precious metals of all kinds and in any form, and tangible items of personal property which are not hereinbefore enumerated.

**Ransom** means Property or Virtual Currency surrendered, or to be surrendered, by or on behalf of the Insured or any Insured Person, at the direction and demand of a person or persons committing, or allegedly committed, a Kidnap or Extortion. The value of Ransom will be determined as of the date such Ransom is lost or surrendered.

**Remote Access PBX System** means a computerized private branch exchange voice telephone switching system operated by and located on the premises of the Insured that provides internal telephone communications between stations located on a given network, as well as between the Insured and other public or private telephone networks, excluding however, those systems for which the Insured does not retain sole control over system administration (performing security functions or activating system features controlled by hardware or software options).

**Remote Access PBX System Fraud** means the intentional, unauthorized and fraudulent gaining of access to outgoing long distance telephone services from a location other than the Insured's premises by either the fraudulent manipulation or unauthorized use of passwords or access codes designed to identify and authenticate users of or access to the Insured's Remote Access PBX System by a natural person other than an identifiable Employee, resulting in charges for long distance toll calls which the Insured is legally obligated to pay a long distance carrier. Provided however, such charges will not be covered hereunder because of the Insured's failure to either:

1. incorporate a system password or access code feature of at least eight characters with such passwords being changed at least monthly; or
2. activate and continue the operation of a call-disconnect feature that automatically terminates a caller's password or access code after 3 unsuccessful sign-on attempts.

**Restoration Expenses** means reasonable costs incurred by the Insured, with the Company's prior written consent, to restore, replace or reproduce damaged, or destroyed computer programs, software, or other electronic data stored within a Computer System, or which the Insured owns, holds or is responsible for, to the condition that existed immediately preceding a Computer Violation, provided that if it is determined by the Insured that such computer programs, software, or other electronic data cannot reasonably be restored, replaced, or reproduced, then Restoration Expenses means only the reasonable costs incurred by the Insured, with the Company's prior written consent, to reach such determination.

Restoration Expenses do not include expenses incurred:

1. as a result of the reconstruction of computer programs, software, or other electronic data which the Insured did not have a license to use;
2. to restore, replace, or reproduce damaged or destroyed computer programs, software, or other electronic data if such damage or destruction was caused by computer programs, software, or other electronic data which the Insured did not have a license to use;
3. to design, update, improve, or perfect the operation or performance of computer programs, software, or other electronic data; or
4. to redo the work product, research, or analysis that was the basis of, or resulted in, any computer programs, software, or other electronic data stored.

**Security Agreement** means a Written agreement that creates an interest in personal property or fixtures and secures payment or performance of an obligation.

**Security Procedure** means an authentication process, other than voice recognition, that requires the use of algorithms or other codes, identifying words or numbers, encryption, or similar security devices or procedures. The following are not a Security Procedure:

1. a general statement that the Insured may establish security procedures;
2. a statement that the Insured may perform a callback or other security procedure; or

3. a statement that the Insured will only accept requests from persons named on the account.

**Servicing Contractor** means a natural person, partnership, or corporation, other than an **Employee** or officer of the Insured, duly authorized by the Insured to:

1. collect and record payments on real estate mortgage or home improvement **Loans** made by, held by, or assigned to, the Insured, and establish tax and insurance escrow accounts;

2. manage real property owned by, or under the supervision or control of, the Insured; or

3. perform other acts directly related to the above,

but only while such natural person, partnership, or corporation is actually performing such services within the United States, including U.S. territories and possessions, or Canada. In no event will any activity described in paragraphs 1., 2. or 3. above include the sale of real property mortgages to the Insured by the **Servicing Contractor** or by any affiliate of the **Servicing Contractor**.

**Servicing Contractor** includes the partners, officers, and employees of such entity and each such **Servicing Contractor** and its partners, officers and employees will collectively be deemed to be one person for all purposes of Condition C. Single Loss, paragraph 3., of this bond.

**Single Loss** has the meaning set forth in section VI. CONDITIONS, C. SINGLE LOSS.

**Statement of Uncertificated Security** means a **Written** statement of the issuer of an **Uncertificated Security** containing:

1. a description of the issue of which the **Uncertificated Security** is a part;

2. the number of shares or units:
   a. transferred to the registered owner;
   b. pledged by the registered owner to the registered pledgee;
   c. released from pledge by the registered pledgee;
   d. registered in the name of the registered owner on the date of the statement; or
   e. subject to pledge on the date of the statement;

3. the name and address of the registered owner and registered pledgee;

4. a notation of any liens and restrictions of the issuer and any adverse claims to which the **Uncertificated Security** is or may be subject to, or a statement that there are none of those liens, restrictions or adverse claims; and

5. the date:
   a. the transfer of the shares or units to the new registered owner of the shares or units was registered;
   b. the pledge of the registered pledgee was registered; or
   c. of the statement, if it is a periodic or annual statement.

**Substitute Check** means a paper reproduction of an **Original Written** check as defined in the Check Clearing for the 21st Century Act of 2003.
**Transit Cash Letter** means any letter or **Electronic Record**:

1. dispatched by the Insured, an authorized representative with whom the Insured has contracted to dispatch such letters or **Electronic Records**, any of the Insured’s correspondent **Financial Institutions**, or any Federal Reserve Bank or branch thereof;

2. itemizing by separate amounts all checks, drafts, promissory notes or other similar items, which have been accepted by the Insured for deposit, payment, collection or encashment; and

3. enclosing such items or including electronic images or data representing such items.

**Transportation Company** means an organization that provides its own or leased vehicles for transportation, or provides freight forwarding or air express services.

**Uncertificated Security** means a share, participation, or other interest in property of, or an enterprise of, the issuer or an obligation of the issuer, that is:

1. not represented by a **Written** instrument issued in bearer or registered form, and the transfer of which is registered upon books maintained for that purpose by or on behalf of the issuer;

2. of a type commonly dealt in on securities exchanges or markets, or commonly recognized in any area in which it is issued or dealt in as a medium for investment; and

3. either one of a class or series, or by its terms divisible into a class or series of shares, participations, interests, or obligations.

**Virtual Currency** means a digital or electronic medium of exchange that is used and accepted as a means of payment but that is not issued by, or guaranteed by, a central bank, government, or public authority.

**Withdrawal Order** means a non-negotiable **Written** instrument, other than an **Instruction**, signed by a customer of the Insured, authorizing the Insured to debit the customer's account in the amount of funds stated therein.

**Written** means expressed through letters or marks placed upon paper and visible to the eye. **Written** does not include information contained in an **Electronic Record**.

### V. EXCLUSIONS

**A.** This bond does not cover loss resulting directly or indirectly from forgery or alteration, except when covered under Insuring Agreement A., D., E., G., J., K., M, or P.2.

**B.** This bond does not cover loss due to war, invasion, acts of foreign enemies, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection, military or usurped power, confiscation, nationalization, requisition, or destruction of, or damage to, property by or under the order of any government, public, or local authority, unless such loss occurs in transit in the circumstances recited in Insuring Agreement C., F., or Q.2., and unless, when such transit was initiated, there was no knowledge of such act or condition related to any of the foregoing on the part of any person acting for the Insured in initiating such transit.

**C.** This bond does not cover loss resulting directly or indirectly from nuclear reaction, nuclear radiation, radioactive contamination, biological or chemical contamination or to any related act or incident.

**D.** This bond does not cover loss resulting directly or indirectly from any acts of a director or trustee of the Insured, other than one employed as a salaried, pensioned, or elected official, or an **Employee**, except when performing acts coming within the scope of the usual duties of an **Employee**, or while acting as a member of any committee duly elected or appointed by resolution of the board of directors or trustees of the Insured to perform specific, as distinguished from general, directorial acts on behalf of the Insured.

**E.** This bond does not cover loss resulting directly or indirectly from the complete or partial non-payment of, or default upon, a **Loan** or transaction involving the Insured as a lender or borrower, or extension of credit, including the purchase, discounting or other acquisition of false or genuine accounts, invoices, notes,
agreements, or **Evidences of Debt**, whether such **Loan**, transaction or extension was procured in good faith or through trick, artifice, fraud, or false pretenses, except when covered under Insuring Agreement A., E., or N.

**F.** This bond does not cover loss of **Property** contained in customers' safe deposit boxes unless:

1. the Insured is legally liable therefor and the loss is covered under Insuring Agreement A. or M.1.; or
2. the loss is covered under Insuring Agreement M.2.

**G.** This bond does not cover loss of unsold travelers' checks or unsold money orders placed in the custody of the Insured with authority to sell, unless:

1. the Insured is legally liable for such loss; and
2. such checks or money orders are later paid or honored by the drawer thereof,
   except when covered under Insuring Agreement A.

**H.** This bond does not cover loss caused by an **Employee**, except:

1. when covered under Insuring Agreement A.; or
2. when covered under Insuring Agreement B., C., L. or Q. and resulting directly from mysterious unexplainable disappearance or misplacement, or unintentional destruction of, or damage to, **Property**.

**I.** This bond does not cover under Insuring Agreement M.:

1. property held by the Insured in trust for more than 30 days or as collateral;
2. under Insuring Agreement M.1., liability of the Insured under any agreement to be responsible for loss;
3. under Insuring Agreement M.2., loss by moths, vermin, wear and tear, gradual deterioration or inherent vice; and
4. loss of securities verified and recorded by the Insured and held by it in any capacity and loss of **Money** segregated and identified as payroll or other funds for delivery to the Insured or a customer.

**J.** This bond does not cover loss involving an **Automated Teller Machine**, except when covered under Insuring Agreements A., K., or P.

**K.** This bond does not cover loss resulting directly or indirectly from trading, with or without the knowledge of the Insured, whether or not represented by any indebtedness or balance shown to be due the Insured on any customer's account, actual or fictitious, and notwithstanding any act or omission on the part of any Employee in connection with any account relating to such trading, indebtedness, or balance, except when covered under Insuring Agreement A.2., D.1., E. or P.1.

**L.** This bond does not cover shortage in any teller's cash due to error.

**M.** This bond does not cover loss resulting directly or indirectly from the use, or purported use, of credit, debit, charge, access, convenience, identification, or other cards:

1. in obtaining credit or funds;
2. in gaining access to an **Automated Teller Machine**; or
3. in gaining access to a point of sale terminal, customer-bank communication terminal, or similar electronic terminal of any electronic funds transfer system,
   whether such cards were issued, or purported to have been issued, by the Insured or by anyone other than the Insured, except when covered under Insuring Agreement A.
N. This bond does not cover loss, including loss of Property, involving an Automated Teller Machine resulting from:

1. damage to such Automated Teller Machine caused by vandalism or malicious mischief, unless such vandalism or malicious mischief is perpetrated from within an office of the Insured;
2. the mechanical breakdown or failure of such Automated Teller Machines to function properly; or
3. mysterious unexplainable disappearance or misplacement while such Property or Money is located within any such Automated Teller Machine,

except when covered under Insuring Agreement A.

O. This bond does not cover loss through the surrender of Property away from an office of the Insured as a result of a threat:

1. to do bodily harm to any person, except loss of Property in transit in the custody of a Messenger provided that when such transit was initiated there was no knowledge by the Insured of any such threat; or
2. to damage the premises or property of the Insured,

except when covered under Insuring Agreement A. or F.

P. This bond does not cover loss resulting directly or indirectly from payments made to, or withdrawals from, a depositor’s account involving erroneous credits to such account, except when covered under Insuring Agreement A., B., or P.1.

Q. This bond does not cover loss resulting directly or indirectly from payments made to, or withdrawals from, a depositor’s account involving items of deposit which are not finally paid for any reason, including forgery or any other fraud, except when covered under Insuring Agreement A., however, this exclusion does not apply to United States Government checks or drafts which are returned to the Insured by the United States Government for any reason after the funds for said checks or drafts have been remitted to the Insured or credited to the Insured’s account.

R. This bond does not cover loss resulting directly or indirectly from counterfeiting, except when covered under Insuring Agreement A., D.1. (but only as respects Negotiable Instruments other than Evidences of Debt or Substitute Checks), E., or G.

S. This bond does not cover loss of any tangible item of personal property which is not specifically enumerated in Section IV., DEFINITIONS, Property, if such property is specifically insured by other insurance of any kind and in any amount obtained by the Insured, and in any event, loss of such property occurring more than 60 days after the Insured has become aware that it owns, holds or is responsible for such property, except when covered under Insuring Agreement A. or B.3.

T. This bond does not cover under Insuring Agreement L., loss:

1. caused or contributed to by any dishonest or fraudulent act of any employee of a correspondent or drawee Financial Institution to which the Transit Cash Letter giving rise to the loss is transmitted or addressed, whether acting alone or in collusion with others; or
2. of any bonds or of any interest coupons detached from any instruments.

U. This bond does not cover loss of Property while:

1. in the mail;
2. in the custody of any Transportation Company, unless covered under Insuring Agreement C. or Q.2., provided however that non-negotiable instruments while in the possession and custody of any Transportation Company will be deemed to be covered under Insuring Agreement C. or Q.2.; or
3. located on the premises of any Transportation Company, except when covered under Insuring Agreement A. or L.

V. This bond does not cover potential income, including interest or dividends not realized by the Insured.

W. This bond does not cover damages of any type for which the Insured is legally liable, except direct compensatory damages arising directly from a loss covered under this bond, but not multiples thereof.

X. This bond does not cover any fees, costs, or other expenses incurred by the Insured in establishing the existence or amount of loss covered under this bond, except when covered under Insuring Agreement H.

Y. This bond does not cover indirect or consequential loss of any nature.

Z. This bond does not cover loss resulting from a violation by the Insured or by any Employee:

1. of law regulating: (i) the issuance, purchase, or sale of securities; (ii) securities transactions upon security exchanges or over the counter market; (iii) investment companies; or (iv) investment advisers; or

2. of any rule or regulation made pursuant to any such law,

unless it is established by the Insured that the act or acts which caused said loss involved fraudulent or dishonest conduct that would have caused a covered loss to the Insured in a similar amount in the absence of such laws, rules, or regulations.

AA. This bond does not cover loss resulting directly or indirectly from the failure of a financial or depository institution, or its receiver or liquidator, to pay or deliver, on demand of the Insured, funds or Property of the Insured held by it in any capacity, except when covered under Insuring Agreement A., B.1.a., or Q.1.a.

BB. This bond does not cover loss involving any Uncertificated Security except an Uncertificated Security of any U.S. Federal Reserve Bank or when covered under Insuring Agreement A., E., or P.

CC. This bond does not cover under Insuring Agreement P., loss:

1. resulting directly or indirectly from entries or changes made by an individual authorized to have access to a Computer System, who acts in good faith on instructions or advice received by telegraph, teletype, human voice over a telephone or by any other means, unless such instructions or advice are given to that individual by a software contractor (or by a partner, officer, or employee thereof) authorized by the Insured to design, develop, prepare, supply, service, write, or implement programs for the Insured's Computer System, except when covered under Insuring Agreement P.2;

2. caused by an employee or director of an automated clearing house (including a U.S. Federal Reserve Bank), service bureau, electronic communications systems (including Fedwire, CHIPS, and SWIFT), or merchants who have contracted with the Insured to perform electronic funds transfer services; or

3. resulting directly or indirectly from entries or changes made by an Employee acting in good faith on any electronic communication, except when covered under Insuring Agreement P.2.

DD. This bond does not cover loss resulting directly or indirectly from Computer Fraud or mechanical breakdown or failure to function properly of a Computer System, except when covered under Insuring Agreement A., B., P., or Q.1.

EE. This bond does not cover under Insuring Agreement J.:

1. loss resulting from the insolvency, bankruptcy, or taking over by a receiver or other liquidator or by State or Federal Officials of a Financial Institution, unless such Financial Institution is a Servicing Contractor covered under this bond and unless such insolvency, bankruptcy, or taking over results from fraud or dishonesty of officers or employees of such Financial Institution;
2. under Insuring Agreement J.2., loss through the failure of a Servicing Contractor covered under this bond to collect or receive Money for the account of the Insured, notwithstanding an agreement between such Servicing Contractor and the Insured to the contrary;

3. under Insuring Agreement J.2., loss of Money collected or received for the account of the Insured by any Servicing Contractor covered under this bond unless such Servicing Contractor is legally liable to the Insured on account of the loss of such Money; or

4. loss resulting directly or indirectly from the complete or partial non-payment of, or default upon, a Loan made to a Servicing Contractor, including a Loan established to provide funds for interim financing or warehousing of mortgage loans, whether procured in good faith or through fraud or false pretenses, or loss resulting directly or indirectly from the failure of the Servicing Contractor to pay over Property held as security for any such Loan.

FF. This bond does not cover under Insuring Agreement F.:

1. a confiscation or expropriation of reward or Property by any governmental authority;

2. the surrender of Property in any face to face encounter involving the use or threat of force or violence, unless surrendered by a person who is in possession of such Property at the time of surrender for the sole purpose of conveying such to pay a previously communicated demand for Property;

3. the surrender of Property on the premises where the demand is made, unless brought onto such premises after receipt of the demand pursuant to an extortion threat for such Property for the sole purpose of paying such demand, and only to the extent that any Property on such premises at the time was insufficient to pay such a demand; or

4. a fraudulent or criminal act of the Insured or an Insured Person or agent thereof whether acting alone or in collusion with others.

GG. This bond does not cover under Insuring Agreement A.1., loss resulting directly or indirectly from the alleged or actual destruction of Property by an Employee.

HH. This bond does not cover loss, costs, or expenses the Insured agrees to incur, or incurs on behalf of another person or entity, when the Insured is not legally obligated to incur such loss, costs, or expenses under the Uniform Commercial Code or any other common, case or tort law, statute, rule or code anywhere in the world, including any rule or code of any clearing or similar organization, except when covered under Insuring Agreement P.2.

II. This bond does not cover loss resulting directly or indirectly from the dishonest or fraudulent acts of an Employee or Servicing Contractor, if any employee of the risk management, compliance, internal audit, or legal department, or any titled officer, branch manager, risk manager, or any director or trustee of the Insured not in collusion with such person knows, or knew at any time, of any dishonest or fraudulent acts committed by such Employee at any time; provided this exclusion does not apply to loss of any Property already in transit in the custody of such Employee or Servicing Contractor at the time the bond terminated, or to loss resulting directly from dishonest or fraudulent acts occurring prior to the time the bond terminated.

JJ. This bond does not cover loss of or damage to Property that belongs to an Employee Benefit Plan, except when covered under Insuring Agreement A.3.

KK. This bond does not cover loss resulting from the unauthorized online computer access to a customer account maintained by the Insured, through the use of fraudulently obtained customer login, identification, password, or authentication information, except: (i) where such information has been obtained directly from unauthorized fraudulent access to a secure file containing such information on a Computer System; or (ii) when covered under Insuring Agreement P.2.

LL. This bond does not cover damages resulting from any civil, criminal, or other legal proceeding in which the Insured is adjudicated to have engaged in racketeering activity, except when the Insured establishes that the act or acts giving rise to such damages were committed by an Employee under circumstances resulting directly
in a loss to the Insured covered by Insuring Agreement A. For purposes of this exclusion, "racketeering activity" is defined in 18 U.S.C. § 1961 et seq.

MM. This bond does not cover any loss resulting directly or indirectly from a Fraudulent Instruction, except when covered under Insuring Agreement P.2.

NN. This bond does not cover loss or disclosure of, intangible property or confidential information, including trade secrets, confidential processing methods, formulas, patents, customer lists, computer programs, negatives, drawings, manuscripts, prints, and other records of a similar nature, unless such theft, disappearance, destruction or disclosure subsequently results in a direct loss that is covered under this bond.

OO. This bond does not cover expenses arising from a data security breach or incident, including forensic audit expenses, fines, penalties, expenses to comply with federal and state laws, payment card industry data security standards (if applicable) or expenses related to notifying affected individuals when the affected individual’s personally identifiable customer, financial, or medical information was stolen, accessed, downloaded, shared, or misappropriated while in the Insured’s care, custody, or control.

PP. This bond does not cover loss resulting directly or indirectly from the input of data or computer instructions into a Computer System, either on the premises of a customer of the Insured, or under the control of such a customer, by a customer or other person who had authorized access to the customer’s authentication mechanism.

QQ. This bond does not cover loss resulting from the Insured’s acceptance or reliance upon forged or altered documents, where the documents describe, identify, or value collateral that is later determined to have been fictitious or worthless at the time the Insured acquired, sold, delivered, or gave value, extended credit, or assumed liability on the faith of such forged or altered documents.

RR. This bond does not cover that portion of any claim involving the loss or use of Virtual Currency except where such claim is otherwise covered under Insuring Agreement F.

VI. CONDITIONS

A. DISCOVERY

This bond applies to loss discovered by the Insured during the Bond Period. Discovery occurs when an Employee of the risk management, compliance, internal audit, or legal departments, or any titled officer, branch manager, risk manager, director, or trustee of the Insured first becomes aware of facts that would cause a reasonable person to assume that a loss of a type covered by this bond has been or will be incurred, regardless of when the act or acts causing or contributing to such loss occurred, even though the exact amount or details of loss may not then be known.

Discovery also occurs when an Employee of the risk management, compliance, internal audit, or legal departments, or any titled officer, branch manager, risk manager, director, or trustee of the Insured receives notice of an actual or potential claim in which it is alleged that the Insured is liable to a third party under circumstances that, if true, would constitute a loss under this bond.

B. BOND PERIOD

Bond Period means the period of one year following the inception date of this bond or any annual anniversary thereof, or if the time between the inception or annual anniversary date and the expiration date of this bond is less than one year, then such lesser period.

C. SINGLE LOSS

Single Loss means all covered loss, including court costs and attorney’s fees incurred by the Company under General Agreement G., resulting from:

1. one act, or series of related acts, of burglary, robbery, or attempt thereat, in which no Employee is implicated;
2. one act, or series of related unintentional or negligent acts or omissions, on the part of any person (whether an Employee or not) resulting in damage to, or destruction or misplacement of, Property;

3. all acts or omissions other than those specified in 1. and 2. above, caused by a person (whether an Employee or not) or for which such person is implicated; or

4. any one casualty or event not specified in 1., 2. or 3. above.

D. SINGLE LOSS LIMIT OF INSURANCE

Subject to the Aggregate Limit of Insurance, the Company's liability for each Single Loss will not exceed the applicable Single Loss Limit of Insurance set forth in ITEM 5 of the Declarations. If a Single Loss is covered under more than one Insuring Agreement or Coverage, the Single Loss Limit of Insurance for each applicable Insuring Agreement or Coverage will apply separately to that part of the loss covered under such Insuring Agreement or Coverage, provided that the maximum payable for such Single Loss will not exceed the largest applicable Single Loss Limit of Insurance, or the remaining Aggregate Limit of Insurance, whichever is less.

E. AGGREGATE LIMIT OF INSURANCE

The Company's total liability for all loss discovered during any one Bond Period, regardless of when paid, will not exceed the applicable Aggregate Limit of Insurance as set forth in ITEM 6 of the Declarations. Such Aggregate Limit of Insurance for a Bond Period will be reduced, and may be exhausted, by the amount of any payment under any applicable Insuring Agreement for any loss discovered during that Bond Period. Upon exhaustion of such Aggregate Limit of Insurance by any such payment:

1. the Company will have no further liability under any applicable Insuring Agreement for any loss discovered during that Bond Period, whether or not previously reported to the Company; and

2. upon notice by the Company to the Insured that such Aggregate Limit of Insurance has been exhausted, the Company will have no further obligation for payment or indemnification of court costs and attorney's fees as set forth in General Agreement G., with respect to any loss, claim, or damage under any applicable Insuring Agreement, whether or not the Company has elected to defend any action thereunder.

The Aggregate Limits of Insurance for any Bond Period will be reinstated by the amount of any applicable cash or ultimate cash equivalent recovery made by the Company and applied in accordance with Conditions J., K., and L. The Aggregate Limits of Insurance for any Bond Period will not, however, be increased or reinstated by any remaining portion of any Aggregate Limits of Insurance from any previous Bond Period.

The amount of any cash or ultimate cash equivalent recovery as set forth in the preceding paragraph will be net of any and all expenses incurred by the Company in effecting such recovery, and will only serve to reinstate the applicable Aggregate Limit of Insurance for the Bond Period in which the loss was discovered.

In the event that loss of Property is settled by the Company through the use of a lost instrument bond, such loss will not reduce any Aggregate Limit of Insurance.

F. DEDUCTIBLE

The Company is liable hereunder only for the amount by which any Single Loss exceeds the Single Loss Deductible Amount for the Insuring Agreement or Coverage applicable to such loss, subject to the applicable Single Loss Limit of Insurance and the applicable Aggregate Limit of Insurance.

If a Single Loss is covered under more than one Coverage within an Insuring Agreement, the Single Loss Deductible Amount set forth in ITEM 5 of the Declarations for each applicable Coverage will apply separately to the part of such Single Loss covered under such Coverage; provided the sum of such Single Loss Deductible Amounts for such Single Loss will not exceed the highest applicable Single Loss Deductible Amount for any such Coverage.

No Single Loss Deductible Amount will apply to that portion of any Single Loss covered under Coverage A.3.
The Insured will, in the time and in the manner prescribed in this bond, give the Company notice of any loss of the kind covered by the terms of this bond that exceeds 25% of the Single Loss Deductible Amount applicable to such loss, whether the Company is liable therefor, and upon the request of the Company the Insured will file with it a brief statement giving the particulars concerning such loss.

G. NON-ACCUMULATION OF LIMITS

Neither the Aggregate Limit of Insurance nor the Single Loss Limit of Insurance is cumulative in amount from Bond Period to Bond Period, regardless of the number of years this bond is in force, the number of times this bond may be renewed or replaced, or the number of premiums which are payable or paid.

H. NOTICE - PROOF OF LOSS - LEGAL PROCEEDINGS

It is a condition precedent to any liability of the Company that:

1. At the earliest practicable moment, not to exceed 90 days, after discovery of loss, the Insured will give the Company notice thereof.

2. Within six months after such discovery, the Insured will furnish to the Company proof of loss, duly sworn to, with full particulars.

3. Lost Certificated Securities listed in a proof of loss will be identified by certificate or bond numbers if such securities were issued therewith.

4. Legal proceedings for the recovery of any loss hereunder will not be brought prior to the expiration of 60 days after the original proof of loss is filed with the Company or after the expiration of 24 months from the discovery of such loss, except that any action or proceeding to recover hereunder on account of any judgment against the Insured in any suit mentioned in General Agreement G., or to recover attorney’s fees paid in any such suit, will be brought within 24 months from the date upon which the judgment and such suit will become final.

If any limitation embodied in this bond is prohibited by any law controlling the construction hereof, such limitation will be deemed to be amended so as to equal the minimum period of limitation provided by such law.

This bond is for the use and benefit only of the Insured, and the Company will not be liable hereunder for loss sustained by anyone other than the Insured. No suit, action or legal proceedings will be brought hereunder by anyone other than the Insured.

I. VALUATION

1. Money

Any loss of Money, or loss payable in Money, will be paid, at the option of the Insured, in the Money of the country in which the loss was sustained or in the United States dollar equivalent thereof determined at the rate of exchange at the time of payment of such loss.

2. Securities

The Company will settle in kind its liability under this bond on account of a loss of any securities or, at the option of the Insured, will pay to the Insured the cost of replacing such securities, determined by their highest quoted market value at any time between the business day next preceding the discovery of the loss and the day on which the loss is settled. In case of a loss of subscription, conversion, or redemption privileges through the misplacement or loss of securities, the amount of such loss will be the value of such privileges immediately preceding the expiration thereof. If such securities cannot be replaced or have no quoted market value, or if such privileges have no quoted market value, their value will be determined by agreement or arbitration.

If the applicable coverage of this bond is subject to a Single Loss Deductible Amount or is not sufficient in amount to indemnify the Insured in full for the loss of securities for which a claim is made hereunder, the liability of the Company under this bond is limited to the payment for, or the duplication of, so much of such securities as has a value equal to the amount of such applicable coverage.
If, at the instance of the Company, the Insured or any customer of the Insured becomes principal upon any bonds, or gives any undertakings, required as a prerequisite to the reissuing or duplicating of any securities for the loss of which the Company is liable under this bond, the Company will become surety upon such bonds or undertakings without premium charge and will indemnify the Insured or such customer against any loss which the Insured or such customer may sustain by reason of having become principal upon any such bonds or having given any such undertakings. The amount of indemnity under this paragraph will not exceed the amount stated in ITEM 5 of the Declarations for the applicable Insuring Agreement.

3. Books of Account and Other Records

In case of loss of, or damage to, any books of account or other records used by the Insured in its business, the Company will be liable under this bond only if such books or records are actually reproduced, and then for not more than the cost of the blank books, blank pages or other materials plus the cost of labor for the actual transcription or copying of data that has been furnished by the Insured in order to reproduce such books and other records.

4. Property other than Money, Securities, Books of Account or Other Records

In case of loss of, or damage to, any Property other than Money, securities, books of account, or other records, except damage covered under Insuring Agreement B.2., B.3. or K., the Company will not be liable for more than the actual cash value of such Property. The Company may, at its election, pay the actual cash value of, repair, or replace such Property.

With respect to damage of property covered under Insuring Agreement B.2., B.3. or K., the Company will be liable for the full cost of repair or replacement of such property, without deduction for depreciation.

Disagreement between the Company and the Insured as to the cash value, replacement value, or as to the adequacy of repair or replacement will be resolved by arbitration.

J. ASSIGNMENT

In the event of payment under this bond, the Insured will deliver, if so requested by the Company, an assignment of such of the Insured's rights, title, interest, and causes of action as it has against any person or entity to the extent of the loss payment.

K. SUBROGATION

In the event of payment under this bond, the Company will be subrogated to all of the Insured's rights of recovery therefor against any person or entity to the extent of such payment. If the rules of the depository specified in Insuring Agreement B. provide that the Insured will be assessed for a portion of any judgment (or agreed settlement) taken by the Company based upon the assignment set forth in Condition J. and the Insured actually pays such assessment, the Company will reimburse the Insured for the amount of the assessment. However, such reimbursement will not exceed the amount of the loss payment by the Company.

L. RECOVERIES

1. All recoveries, whether effected by the Company or by the Insured, will be applied, after first deducting the costs and expenses incurred in obtaining such recovery, in the following order of priority:

a. first, to the Insured to reimburse the Insured for loss sustained which would have been paid under this bond but for the fact that such loss is in excess of either the Single Loss Limit of Insurance or Aggregate Limit of Insurance, provided such loss does not include claim expense payments made by the Insured in excess of the Single Loss Limit of Insurance of Insuring Agreement H.;

b. second, to the Company in satisfaction of amounts paid or to be paid to the Insured in settlement of the Insured's claim;

c. third, to the Insured in satisfaction of any Single Loss Deductible Amount; and
d. fourth, to the Insured in satisfaction of any loss not covered under this bond, including any claim expense payments made by the Insured in excess of the Single Loss Limit of Insurance of Insuring Agreement H.

2. Recovery on account of loss of securities as set forth in Condition I.2., or recovery from reinsurance or indemnity of the Company, will not be deemed a recovery as used herein.

In determining the amount of any loss covered under this bond, all **Money** received by the Insured from any source whatsoever in connection with any matter from which a loss has arisen, including payments and receipts of principal, interest, dividends, commission, and the like, received prior to a loss settlement under this bond, will be deducted from the amount actually paid out, advanced, withdrawn, taken, or otherwise lost or stolen. The value of all property received by the Insured from any source whatever and whenever received, in connection with any matter from which a loss has arisen, will be valued as of the date received and will likewise be deducted from the claimed loss.

M. COOPERATION

Upon the Company's request and at reasonable times and places designated by the Company the Insured will:

1. submit to examination by the Company and subscribe to the same under oath;
2. produce for the Company's examination all pertinent records; and
3. cooperate with the Company in all matters pertaining to the loss, including recovery or subrogation matters.

The Insured will execute all papers and render assistance to secure to the Company the rights and causes of action provided for herein.

The Insured will do nothing after discovery of loss to prejudice such rights or causes of action, and must do everything reasonably necessary to secure those rights and causes of action.

N. ANTI-BUNDLING

If any Insuring Agreement requires that an enumerated type of document be **Altered** or **Counterfeit**, or contain a signature that is a **Forgery** or obtained through trick, artifice, fraud, or false pretenses, the **Alteration**, **Counterfeit** or signature must be on or of the enumerated document itself, not on or of some other document submitted with, accompanying or incorporated by reference into, the enumerated document.

O. LIMIT OF INSURANCE UNDER THIS BOND AND PRIOR INSURANCE

With respect to any **Single Loss** which is recoverable or recovered in whole or in part under any other bonds or policies issued by the Company to the Insured, or to any predecessor in interest of the Insured and canceled or terminated or allowed to expire, and in which the period for discovery has not expired at the time any such loss thereunder is discovered, the total liability of the Company under this bond and under such other bonds or policies will not exceed, in the aggregate, the amount carried hereunder on such loss or the amount available to the Insured under such other bonds or policies, as limited by the terms and conditions thereof, for any such loss if the latter amount be the larger.

If the coverage of this bond supersedes in whole or in part the coverage of any other bond or policy of insurance issued by an insurer other than the Company and canceled, terminated or allowed to expire, the Company, with respect to any loss sustained prior to such cancellation, termination, or expiration and discovered within the period permitted under such other bond or policy for the discovery of loss thereunder, will be liable under this bond only for that part of such loss covered by this bond as is in excess of the amount recoverable or recovered on account of such loss under such other bond or policy, anything to the contrary in such other bond or policy notwithstanding.

P. OTHER INSURANCE OR INDEMNITY

Coverage afforded hereunder applies only as excess over any valid and collectible insurance or indemnity obtained by:
1. the Insured;
2. anyone other than the Insured on Property subject to Exclusion S.;
3. a Transportation Company;
4. another entity on whose premises the loss occurred or which employed the person causing the loss; or
5. the messenger conveying the Property involved.

Q. COVERED PROPERTY

This bond applies to loss of Property:
1. owned by the Insured;
2. held by the Insured in any capacity; or
3. for which the Insured was responsible prior to the occurrence of the loss.

This bond is for the sole use and benefit of the Insured.

R. JOINT LOSS PAYEES

At the written request of the Insured, any payment in satisfaction of loss covered by this bond involving Money or other Property in which the Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Government National Mortgage Association, any quasi-governmental authority, or another legal entity has an interest, will be paid by an instrument issued to such organization and the Insured as joint loss payees. Any such payment will be subject to the following conditions and limitations:

1. The organizations specified in the preceding paragraph are not considered Insureds under this bond, nor do they otherwise have any rights or benefits under this bond.
2. Notwithstanding any payment made under the terms of this provision, the amount paid for any Single Loss will not exceed the applicable Single Loss Limit of Insurance as set forth in ITEM 5 of the Declarations.

S. CANCELLATION OR TERMINATION

1. Cancellation
   a. This bond is canceled in its entirety immediately upon receipt by the Company of a written notice from the Insured of its desire to cancel this bond.
   b. This bond is canceled in its entirety 90 days after the receipt by the Insured of a written notice from the Company of its desire to cancel this bond.
   c. Coverage is canceled as to any Employee, or as to any partner, officer, or employee of any Electronic Data Processor 15 days after the receipt by the Insured of a written notice from the Company of its desire to cancel coverage under this bond as to such person.

2. Termination
   a. This bond terminates in its entirety immediately upon occurrence of any of the following:
      (1) a Change of Control of the first named Insured;
      (2) exhaustion of the Aggregate Limit of Insurance set forth in ITEM 6 of the Declarations, if applicable; or
      (3) the expiration date set forth in ITEM 2 of the Declarations.
b. This bond terminates as to any Insured immediately upon occurrence of any of the following:

(1) a **Change of Control** of such Insured;

(2) the surrender of such Insured’s charter to any governmental authority; or

(3) the taking over of such Insured by a receiver or other liquidator or by any State or Federal official.

Termination of the bond as to any Insured terminates liability for any loss sustained by such Insured that is discovered after the effective date of such termination.

After termination or cancellation, no receiver, liquidator, or state or federal government, official, or agency acting in the capacity of supervisor, liquidator, receiver, regulator, or any other capacity, and no person or entity that has acquired, received, obtained, or been assigned any rights from or by any receiver, liquidator, or state or federal government, official, or agency will have the right to make, pursue, or take any other action related to any claim either under this bond or against the Company unless a proof of loss, duly sworn to, with full particulars and complete documentation proving a covered loss has been received by the Company prior to the termination or cancellation of this bond. Such proof of loss must fully document all facts that prove the loss is a type of loss covered by this bond and fully document all facts that prove the amount of such covered loss. No receiver, liquidator, state or federal government, official, or agency, acquirer, obtainer, or assignee will be allowed to provide additional facts, documents or information to supplement such proof of loss.

c. Coverage terminates as to any **Employee**, or as to any partner, officer, or employee of any **Electronic Data Processor**:

(1) as soon as an **Employee** of the risk management, compliance, internal audit, or legal department, or any titled officer, branch manager, risk manager, or any director or trustee of the Insured not in collusion with such person, learns of any dishonest or fraudulent employment related act; or

(2) 60 days after an **Employee** of the risk management, compliance, internal audit or legal department, or any titled officer, branch manager, risk manager, or any director or trustee of the Insured not in collusion with such person, learns of any dishonest or fraudulent non-employment related act which resulted in a loss of **Property** in excess of $25,000, that was committed by such person at any time, whether in the employment of the Insured or otherwise, whether or not of the type covered under Insuring Agreement A., against the Insured or any other person or entity, without prejudice to the loss of any **Property** then in transit in the custody of such person.

However, termination of coverage as to any **Employee** as set forth in c.(1) and c.(2) of the preceding paragraph, will not apply to any such person provided the Insured has received and retains an original letter signed by a prior insurer reinstating coverage for such individual for whom the Insured discovered had committed a dishonest or fraudulent act prior to the effective date of this bond.

No termination under this Condition S.2. will be effective with respect to any **Employee Benefit Plan** covered under Insuring Agreement A.3.

d. Coverage terminates as to any **Servicing Contractor**:

(1) immediately upon discovery by an **Employee** of the risk management, compliance, internal audit, or legal department, or any titled officer, branch manager, or risk manager of the Insured of any dishonest or fraudulent act on the part of such **Servicing Contractor**, unless within 5 days after discovery of such act, the Insured gives the Company written notice thereof and in such event this bond will be deemed canceled as to such **Servicing Contractor** at the expiration of 30 days after such discovery of such act; or

(2) at 12:01 A.M. standard time upon the effective date specified in a written notice served upon the Insured or sent by mail. Such date, if the notice is served, will be no less than 30 days after such
service, or if sent by mail, no less than 35 days after the date of mailing. The mailing by the Company of notice to the Insured at its principal office is sufficient proof of such written notice.

T. DISCOVERY PERIOD

At any time prior to the cancellation or termination of this bond in its entirety, whether by the Insured or the Company, the Insured may give to the Company written notice that it desires under this bond an additional period of 12 months within which to discover loss sustained by the Insured prior to the effective date of such cancellation or termination and will pay an additional premium therefor.

Upon receipt of such notice from the Insured, the Company will give its written consent thereto; provided that such additional period of time terminates immediately:

1. on the effective date of any other insurance obtained by the Insured, its successor in business or any other party, replacing in whole or in part the insurance afforded by this bond, whether or not such other insurance provides coverage for loss sustained prior to its effective date; or

2. upon any takeover of the Insured’s business by any state or federal official or agency, or by any receiver or liquidator acting or appointed for this purpose,

whichever occurs first, without the necessity of the Company giving notice of such termination. In the event that such additional period of time is terminated, as provided above, the Company will refund on a pro-rata basis, unearned premium.

The right to purchase such additional period for the discovery of loss may not be exercised by any state or federal official or agency, or by any receiver or liquidator, acting or appointed to take over the Insured's business for the operation or liquidation thereof, or for any other purpose.

The Company's total liability for any loss discovered during such additional period of time is part of, and not in addition to, the Single Loss Limit of Insurance or the Aggregate Limit of Insurance, whichever is less, of the Bond Period that terminates immediately preceding the effective date of such additional period.

U. HEADINGS

The titles of the various paragraphs of this bond and its endorsements are inserted solely for convenience or reference and are not to be deemed in any way to limit, expand, or affect the provision to which they relate.