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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. DISHONESTY OF EMPLOYEES

Coverage A.1. Fidelity

Loss resulting directly from dishonest or fraudulent acts committed by an Employee acting alone or in collusion with others, which acts are committed by the Employee with the intent:

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

b. 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:

(1) the Employee acted with the intent to cause the Insured to sustain such loss;

(2) the Employee was in collusion with one or more parties to the transaction; and

(3) (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 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:

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

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

Such loss is not covered unless:
the Employee has received, in connection therewith, an improper financial benefit; or

(2) 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 the trading.

Coverage A.3. ERISA

Loss of or damage to Property that belongs to an Employee Benefit Plan, 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:

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.

(1) If, however, some or all of the Employee Benefit Plan'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 Employee Benefit Plan to sustain such loss;

   (b) the Employee was in collusion with one or more parties to the transaction; and

   (c) (i) the Employee has received, in connection therewith, an improper financial benefit; or

           (ii) 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.

(2) Additionally, if some of all of the Employee Benefit Plan's loss results directly or indirectly from trading, that portion of the loss is not covered unless:

   (a) the Employee acted with the intent to cause the Employee Benefit Plan to sustain such loss; and

   (b) (i) the Employee has received, in connection therewith, an improper financial benefit; or

           (ii) 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 the trading.

As used throughout Coverage A.1., A.2. and A.3. of this Insuring Agreement, improper 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 incurred by the Insured and 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 and 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 Property was surrendered,

while the Property is lodged or deposited within offices or premises located anywhere. The premises of The Depository Trust Company 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 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 burglary or robbery of such office or attempt thereat, or vandalism or malicious mischief;
   b. such office, or to 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 the Insured is the owner of such furnishings, fixtures, supplies, equipment, office or building or is liable for such loss or damage and the loss 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 and 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 and being transported in an armored motor vehicle; or

3. a Transportation Company while being transported in a conveyance other than an armored motor vehicle, provided that covered Property transported in such a 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 endorsed with restrictive endorsements;
   c. Negotiable Instruments not payable to the bearer, and either 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 receipt of such Property by the Messenger or Transportation Company and ends immediately upon delivery to the designated recipient or its agent.

D. FORGERY OR ALTERATION

Loss resulting directly from:

1. Forgery or alteration of, on or in any:
   a. request made for a change of beneficiary in any policy issued by the Insured;
   b. policy Loan agreement made with the Insured;
   c. assignment to the Insured of any of its policies; or
   d. Negotiable Instruments (except Evidences of Debt or Substitute Checks), Acceptances, Withdrawal Orders, Written receipts for the withdrawal of Property, Certificates of Deposit or Letters of Credit.

2. transferring, paying or delivering any funds or Property, or establishing any credit or giving any value on the faith of any Original Written instructions or advices directed to the Insured and authorizing or acknowledging the transfer, payment, delivery or receipt of funds or Property, which instructions or advices purport to have been signed or endorsed by any customer of the Insured or by any Financial Institution, but which instructions or advices either bear a signature which is a Forgery or have been altered without the knowledge and consent of such customer or Financial Institution.

3. transferring, paying or delivering any funds or Property in good faith reliance upon any Substitute Check that is altered or which bears a copy of a handwritten signature of any maker or drawer which is a Forgery.

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 upon, 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;
which

(1) bears a handwritten signature of any maker, drawer, issuer, endorser, assignor, lessee, transfer agent, registrar, acceptor, surety, guarantor, or any person signing in any other capacity which is a Forgery;

(2) is altered; or

(3) 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, or given value, extended credit or assumed liability, on the faith of any item listed in 1.a. through 1.d. above, which is a Counterfeit; or

4. become liable to any issuer of securities, transfer agent, registrar, redemption agent, depository, trustee, paying, distributing or disbursing agent, Financial Institution, and their respective legal representatives, successors and 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 Section 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’s having relied on the faith of such items.

F. KIDNAP AND RANSOM

1. Loss of Property surrendered by the Insured or any Insured Person as a result of an extortion threat communicated to the Insured or an Insured Person which occurs anywhere in the world:

a. to abduct or do bodily harm to any Insured Person who has or allegedly has been Kidnapped;

b. to do damage to the premises or Property of the Insured or any Insured Person; or

c. to perpetrate E-Commerce Extortion,

where such threat is made for the purpose of demanding a ransom.

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

a. investigating an extortion threat;

b. paying of Property as a ransom;

c. negotiating a release of any Insured Person;
d. 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.1.;

e. paying a crisis response firm to resolve the threat or to secure the release of any Insured Person, independent public relations consultants and interpreters;

f. wages, salaries, commissions and other financial benefits paid by the Insured to an Insured Person at the level 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:

   (1) 30 days following the Insured Person's release or the date the Insured Person returns to work;

   (2) discovery of the Insured Person's death; or

   (3) 120 days after the Insured receives the last credible evidence that the Insured Person is still alive;

g. paying 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, Detention or Hijack;

h. paying 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

i. paying other reasonable expenses, with the consent of the Company, that are directly related to the extortion threat.

Indemnification for expenses described in Insuring Agreement F.2. is in addition to the applicable Single Loss Limit of Insurance, provided however, that the amount payable hereunder 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.

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

4. 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 any 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 extortion threat referred to in Insuring Agreement F.1. 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 any Insured Person for such loss of Property, wages, salaries, benefits or expenses and include such in its proof of loss; and

c. the Insured or Insured Person must approve the payment of Property 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 E-Commerce 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 of the demand for Property and comply with their recommendations and instructions; and

(4) notify an associate, director or officer of the Insured.

G. COUNTERFEIT MONEY AND COUNTERFEIT MONEY ORDERS

Loss resulting directly from receipt by the Insured, in good faith, of any Counterfeit Money of the United States of America and its territories and possessions, Canada or of 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 conducted either by such authorities or by independent accountants, by reason of the discovery of loss sustained by the Insured.

I. AGENTS OF LIFE INSURANCE COMPANIES

Coverage I.1. General Agents

Loss resulting directly from any dishonest or fraudulent acts committed by a General Agent acting alone or in collusion with others.

Such dishonest or fraudulent acts must be committed by the General Agent with the intent to:

a. cause the Insured to sustain such loss; and

b. obtain improper financial benefit for the General Agent or another person or entity.

Coverage I.2. Soliciting Agents

Loss resulting directly from any dishonest or fraudulent acts committed by a Soliciting Agent acting alone or in collusion with others.

Such dishonest or fraudulent acts must be committed by the Soliciting Agent with the intent to:

a. cause the Insured to sustain such loss; and

b. obtain improper financial benefit for the Soliciting Agent or another person or entity.

Coverage under this Insuring Agreement I.2. includes loss of funds of policyholders of the Insured, or beneficiaries under policies issued by the Insured, through any dishonest or fraudulent acts committed by any Soliciting Agent, for which funds the Insured may assume responsibility, regardless of whether or not the Insured has a pecuniary interest in such funds or is legally liable therefor.

As used throughout Insuring Agreement I., improper financial benefit does not include any benefits earned in the normal course of the agency relationship, including salaries, commissions, fees, bonuses, promotions, awards, profit sharing or pensions.

With respect to Insuring Agreement B., any reference to an office of the Insured is deemed to include an office of any General Agent or Soliciting Agent.
J. SERVICING CONTRACTORS

Loss resulting directly from any dishonest or fraudulent acts committed by any Servicing Contractor acting alone or in collusion with others, which acts are committed by the Servicing Contractor with the intent:

1. to cause the Insured to sustain such loss; and
2. to obtain improper financial benefit for the Servicing Contractor or another person or entity.

As used throughout Insuring Agreement J., improper 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. THIRD PARTY ADMINISTRATORS

Loss resulting directly from any dishonest or fraudulent acts committed by any Third Party Administrator, acting alone or in collusion with others, which acts are committed by the Third Party Administrator with the intent:

1. to cause the Insured to sustain such loss; and
2. to obtain improper financial benefit for the Third Party Administrator or another person or entity.

As used throughout Insuring Agreement K., improper financial benefit does not include any benefits earned in the normal course of performance of specified contractual duties, including: salaries, commissions, fees, bonuses, promotions, awards, profit sharing or pensions.

L. REAL PROPERTY MORTGAGES - DEFECTIVE SIGNATURES

Loss resulting directly from the Insured’s having, in good faith and in the course of business in connection with any Loan, accepted or received or acted upon the faith of any real property mortgages, real property deeds of trust or like instruments pertaining to realty or assignments of such mortgages, deeds of trust or instruments which 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 the 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.

M. COMPUTER SYSTEMS

Coverage M.1. Computer Fraud

Loss resulting directly from Computer Fraud.

Coverage M.2. Fraudulent Instructions

Loss resulting directly from the Insured having in good faith transferred funds as a result of a Fraudulent Instruction.

Coverage M.3. Remote Access PBX System Fraud

Loss resulting directly from Remote Access PBX System Fraud.

Coverage M.4. Restoration Expenses

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

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, and whether or not any partner of such nominee is implicated in such loss, be deemed to be loss sustained by the Insured.

B. ORGANIC GROWTH

If the Insured, while this bond is in force, establishes any additional offices or adds additional 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 hereunder 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, greater than 50% of which is owned by an Insured covered under the attached bond, will be automatically covered hereunder 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 ownership of, another institution (hereinafter referred to as a "Transaction"), coverage under this bond for loss which:

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 or 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 3 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 comes earlier, unless the Insured obtains the written consent of the Company to extend such coverage beyond said date and, upon obtaining such consent, pays to 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 or 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 3 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 discovered on or after the effective date of the Transaction, for the remainder of the Policy Period as set forth in ITEM 2 of the Declarations, without additional premium being charged and without 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 of the Insured, or of a holding company or a parent corporation which itself 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 stock transfer, for any loss involving a transferee of such stock 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 which is owned, controlled or operated by such Insured and not named as an Insured hereunder, except as may be provided on a limited basis within General Agreement B., but 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 the bond covers loss sustained by two or more Employee Benefit Plans or sustained by any such plan in addition to loss sustained by an Insured other than such plan, it is the obligation of the Insured or the plan administrator of such plans 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 the 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 shall 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 and any amendments thereto (ERISA) for each such Employee Benefit Plan bears to the total of such limits of insurance.

G. COURT COSTS AND ATTORNEYS' FEES - LEGAL PROCEEDINGS - ELECTION TO DEFEND

The Company will indemnify the Insured against 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 which, 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 it with 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, which 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 this 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 by reason of the Insured's liability or alleged liability being 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.

IV. DEFINITIONS

As used in this bond:

A. **Acceptance** means a Written draft which the drawee has, by signature Written thereon, engaged to honor as presented.
B. **Bond Period** has the meaning set forth in section VI. **CONDITIONS, B. BOND PERIOD**.

C. **Certificate of Deposit** means a written acknowledgement by a **Financial Institution** of receipt of **Money** with an engagement to repay it.

D. **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.

E. **Certificated Security** means a share, participation or other interest in property of, or an enterprise of, the issuer or an obligation of the issuer, which 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.

F. **Change of Control** means:

1. the acquisition of any Insured, or of all or substantially all of any Insured’s assets, by another entity other than another Insured, or the merger or consolidation of any Insured into or with another 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 thereof of the Insured.

G. **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.

H. **Computer System** means:

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

I. **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:
   a. gained unauthorized access to such **Computer System**; or
b. authorized access to such Computer System but uses such access to cause such damage or destruction.

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

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

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

L. **Customer** means, only with respect to Insuring Agreement M.2. an entity or natural person:

1. which has a Written agreement with the Insured authorizing the Insured to rely on voice, telefacsimile, electronic mail or electronic text instructions to make transfers;
2. which has provided the Insured with the names of persons authorized to initiate such transfers; and
3. with which the Insured has established an instruction verification procedure other than voice recognition.

M. **Detention** means the holding under duress of an Insured Person for whatever reason other than Kidnap.

N. **Document of Title** means a Written document that is a bill of lading, dock warrant, dock receipt, warehouse receipt or order for the delivery of goods, and also any other Written document which 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 must purport to be issued by or addressed to a bailee and purports to cover goods in the bailee’s possession which are either identified or are fungible portions of an identified mass.

O. **E-Commerce 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 which 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; or
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.

P. **Electronic Data Processor** means a natural person, partnership or corporation authorized in writing by the Insured to perform services as a data processor of checks presented to the Insured by a customer or Financial Institution. A Federal Reserve Bank or clearinghouse will not be construed to be an Electronic Data Processor.
Q. **Electronic Record** means information which is created, generated, sent, communicated, received, or stored by electronic means and is retrievable in perceivable form.

R. **Employee** means:

1. an officer or other employee of the Insured, while employed in, at, or by 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 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. an attorney retained by the Insured, and any employee of such attorney, but only while performing legal services for the Insured, and not including those attorneys and their employees retained by the Insured to:
   a. manage or litigate claims on insurance or suretyship contracts; or
   b. search or close titles on real estate or perform escrow services or other related services on real estate;

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 who is leased to 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 any 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 and which acts caused said institution to sustain a loss which 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 one **Employee** for all the purposes of this bond, except, however, 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 who is a director or trustee of the Insured while such director or trustee is engaged in handling funds or other property of any **Employee Benefit Plan**;

9. any natural person who is a volunteer, while such person is subject to the Insured’s direction and control and is performing services for the Insured;

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

11. any natural person authorized to sign **Written** drafts, on behalf of the Insured, for the Insured’s policyholders empowered by contract with the Insured to settle their own claims.
**Employee** also means any individual described above while such person is on medical, military, or other leave of absence from the Insured. Coverage applies to any such **Employee** while on leave, regardless of whether such person remains subject to the Insured’s direction and control during the time of leave.

**Employee** does not mean:

a. any **General Agent, Soliciting Agent**, broker, sub-agent, loan agent, fiscal agent, property management agent, real estate agent or other representative or person of the same general character not specified above; or

b. any **Servicing Contractor, Third Party Administrator**, factor, commission merchant, consignee, independent contractor or representative or other person of the same general character,

except as set forth above.

S. **Employee Benefit Plan** means an employee welfare benefit plan or an employee pension benefit plan, as more fully set forth in the provisions of the Employee Retirement Income Security Act of 1974, and any amendments thereto (ERISA), and which is controlled, operated or sponsored solely by an Insured for the benefit of employees of the Insured.

T. **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.

U. **Financial Institution** means:

1. a bank, trust company, savings bank, credit union, savings and loan association, or similar thrift institution; or

2. 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.

V. **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 which 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 which consists in whole or in part of one's own name signed with or without authority, in any capacity, for any purpose.

W. **Fraudulent Instruction** means an intentional, fraudulent and unauthorized instruction directed to the Insured, which is:

1. transmitted 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. transmitted verbally, via telephone, 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 paragraph W.2.; or

3. transmitted via electronic mail or electronic text, and purports and reasonably appears to be from a Customer of the Insured, but was in fact transmitted by someone other than such Customer.

X. General Agent means a natural person, partnership or corporation under Written contract with the Insured and engaged by the Insured to solicit:
   1. life insurance;
   2. accident and health insurance;
   3. credit insurance; or
   4. annuities,

   but only while such natural person, partnership or corporation is actually performing such services for the account of the Insured. General Agent does not include any natural person, partnership or corporation while actually or allegedly soliciting or performing any act in connection with any product regulated by any federal, state or foreign securities law, rule or regulation.

   The term General Agent includes the partners, officers and employees of such General Agent, and all such persons will collectively be deemed one person for the purposes of the Single Loss Limit of Insurance pertaining to Insuring Agreement I.1.

Y. 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.

Z. Guest means any person visiting the premises of the Insured or a residence occupied by any Employee, or traveling with an Employee for social or business purposes, or any person traveling with an Employee in a motor vehicle, aircraft or waterborne vessel owned by, or rented or leased to the Insured.

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

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

CC. 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.

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

EE. Kidnap or Kidnapped 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 Money.
FF. **Letter of Credit** means an engagement in writing 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.

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

HH. **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.

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

JJ. **Negotiable Instrument** means a Written document, which:

1. is signed by the maker or drawer; and
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.

KK. **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.

LL. **Original** means the first rendering or archetype and does not include photocopies or electronic transmissions even if received and printed.

MM. **Property** means Money, Certificated Securities, Uncertificated Securities, Negotiable Instruments, Certificates of Deposit, Documents of Title, Acceptances, Evidences of Debt, Security Agreements, Withdrawal Orders, 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.

NN. **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).

OO. **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:

1. incorporate a system password or access code feature of at least 8 characters with such passwords being changed at least monthly; and
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.

PP. **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:

1. expenses incurred 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. expenses incurred 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. expenses incurred to design, update, improve or perfect the operation or performance of computer programs, software or other electronic data; or
4. expenses incurred 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.

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

RR. **Servicing Contractor** means a natural person, partnership or corporation authorized under **Written** contract with the Insured and engaged by the Insured to perform any or all of the following:

1. collect and record payments on real estate mortgage or home improvement **Loans** made or 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 activities described in paragraphs RR.1. and RR.2. above,

but only while such natural person, partnership or corporation is actually performing such services within the United States of America and its territories and possessions, or Canada, for the Insured. 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**.

The term **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.

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

TT. **Soliciting Agent** means a natural person, partnership or corporation under **Written** contract with the Insured and engaged by the Insured or by a **General Agent** thereof to solicit:
1. life insurance;
2. accident and health insurance;
3. credit insurance; or
4. annuities,

for the account of the Insured or of such General Agent, but only while such natural person, partnership or corporation is actually performing such services for the Insured or such General Agent. Soliciting Agent will be deemed to include any insurance broker under written contract with the Insured or with such General Agent. Soliciting Agent does not include any natural person, partnership or corporation while actually or allegedly soliciting or performing any act in connection with any product regulated by any federal, state or foreign securities law, rule or regulation.

The term Soliciting Agent includes the partners, officers and employees of such Soliciting Agent, and all such persons shall collectively be deemed one person for the purposes of the Single Loss Limit of Insurance pertaining to Insuring Agreement I.2.

UU. Statement of Uncertificated Security means a Written statement by 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 any 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.

VV. Substitute Check means a paper reproduction of an Original Written check as defined in the Check Clearing for the 21st Century Act of 2003 and any amendments thereto.

WW. Third Party Administrator means any natural person, partnership or corporation, other than an officer or Employee of the Insured, duly authorized under Written contract with the Insured and engaged by the Insured to provide claims adjustment services.

Third Party Administrator will be deemed to include the partners, officers and employees of such Third Party Administrator, and all such persons shall collectively be deemed one person for the purposes of the Single Loss Limit of Insurance pertaining to Insuring Agreement K.
XX. *Transportation Company* means any organization which provides its own or leased vehicles for transportation or which provides freight forwarding or air express services.

YY. *Uncertificated Security* means a share, participation or other interest in *Property* of, or an enterprise of, the issuer or an obligation of the issuer, which 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 traded on securities exchanges or markets, or commonly recognized in any area in which it is issued or dealt in as a medium of 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.

ZZ. *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.

AAA. *Written* means expressed through letters or marks placed upon paper and visible to the eye. It does not include information contained in an *Electronic Record*, or only with respect to Insuring Agreement D.2., information communicated via telefacsimile.

V. **EXCLUSIONS**

A. This bond does not cover loss resulting directly or indirectly from forgery or alteration, except when covered under Insuring Agreements A., D., E., G., H., I. or J.  

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. or F., 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 any director or trustee of the Insured other than one employed as a salaried, pensioned or elected official or an *Employee* of the Insured, 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, any *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 Agreements A., E., or L.

F. This bond does not cover loss resulting directly or indirectly from:

1. an incorrectly or dishonestly prepared title search, survey, inspection or other report made by an *Employee*;
2. a defective document or instrument, unless covered under Insuring Agreement L., taken by the Insured, whether or not any Employee accepting such document or instrument knew of such defect; or

3. contractual or extra-contractual liability of the Insured, in connection with the issuance of contracts or purported contracts of insurance, indemnity or suretyship.

G. This bond does not cover loss resulting directly or indirectly from any dishonest or fraudulent act committed by any non-employee who is a securities, commodities, money, mortgage, real estate, loan, insurance, property management, investment banking, broker, agent, or other representative of the same general character, subject to the exceptions stated in subparagraphs 1., 2. and 3. below. With respect to:

1. Coverages I.1. and I.2., under Insuring Agreement I., this exclusion will not apply to acts of any General Agent or Soliciting Agent covered thereunder;

2. Insuring Agreement J., this exclusion will not apply to acts of any Servicing Contractor covered thereunder; and

3. Insuring Agreement K., this exclusion will not apply to acts of any Third Party Administrator covered thereunder.

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. or C. 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 J. Servicing Contractors, in addition to all the other exclusions, loss resulting directly or indirectly from the complete or partial non-payment of, or default upon, any Loan or transaction in the nature of a Loan or extension of credit made to a Servicing Contractor, including any such Loan or transaction 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 collateral for any such Loan or transaction.

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

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 M.1.

L. 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 where such information has been obtained directly from unauthorized fraudulent access to a secure file containing such information on a Computer System.

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

1. in obtaining credit or funds;

2. in gaining access to any automated teller machine or other automated mechanical device which, on behalf of the Insured, disburses Money, accepts deposits, cashes checks, drafts or similar Written instruments or makes credit card loans; or
3. in gaining access to any point of sale terminal, customer - bank communication terminal, or similar electronic terminal of any electronic funds transfer system;

whether such cards were issued, or purport 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 involving any automated mechanical devices which, on behalf of the Insured, disburse Money, accept deposits, cash checks, drafts or similar Written instruments or make credit card loans, resulting from:

1. damage to such automated mechanical devices caused by vandalism or malicious mischief;
2. the mechanical breakdown or failure of such automated mechanical devices to function properly; or
3. mysterious unexplainable disappearance or misplacement while such Property or Money is located within any such automated mechanical device,

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 do damage to 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 or withdrawals made from a depositor's account involving erroneous credits to such account, unless such payments or withdrawals are physically received by such depositor or representative of such depositor who is within the office of the Insured at the time of such payment or withdrawal, or except when covered under Insuring Agreement A.

Q. This bond does not cover loss 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 (except 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 Definitions, MM. 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.2.

T. 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 which result directly in a loss to the Insured covered by Insuring Agreement A. For purposes of this exclusion, "racketeering activity" is defined in 18 United States Code 1961 et seq., as amended.

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., provided, however, that non-negotiable instruments while in the possession and custody of any Transportation Company shall be deemed to be covered under Insuring Agreement C.; or

3. located on the premises of any Transportation Company, except when covered under Insuring Agreement A.

V. This bond does not cover potential income, including interest and dividends, not realized by the Insured. This exclusion does not apply to:

1. interest or dividends owed to a client or customer of the Insured pursuant to a Written contract between the Insured and the client or customer; or

2. pre-judgment or post-judgment interest awarded against the Insured pursuant to any case law or State or Federal statute.

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

X. This bond does not cover any fees, costs and expenses incurred by the Insured in establishing the existence of 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. This exclusion does not apply to:

1. interest or dividends owed to a client or customer of the Insured pursuant to a Written contract between the Insured and the client or customer; or

2. pre-judgment or post-judgment interest awarded against the Insured pursuant to any case law or State or Federal Statute.

Z. This bond does not cover loss resulting from any 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 advisors; 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 which 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. or B.1.a.

BB. This bond does not cover loss involving any Uncertificated Security except an Uncertificated Security of any Federal Reserve Bank of the United States, or when covered under Insuring Agreements A., E., M.1. or M.2.

CC. This bond does not cover under Insuring Agreement M., in addition to all of the other exclusions, 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 advices received by telegraph, teletype, human voice over a telephone or by any other means, unless such instructions or advices 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;

2. of, or disclosure of, intangible property or confidential information owned by the Insured such as trade secrets, confidential processing methods, formulas, patents, customer lists contained on or in data processing materials, computer programs, negatives, drawings, manuscripts, prints and other records of a similar nature;

3. caused by an employee or director of an automated clearing house (including a 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

4. resulting directly or indirectly from entries or changes made by an Employee of the Insured acting in good faith on any electronic communication, unless such instructions are purportedly sent by a customer, Financial Institution or automated clearing house, except when covered under Insuring Agreement M.2.

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

EE. This bond does not cover under Insuring Agreement J. or K., in addition to all of the other exclusions:

1. loss resulting from the insolvency, bankruptcy or taking over by a receiver or other liquidator or by State or Federal Officials of any Financial Institution, unless such Financial Institution is a Servicing Contractor or Third Party Administrator 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. loss through the failure of any Servicing Contractor or Third Party Administrator covered under this bond to collect or receive Money for the account of the Insured, any agreement between such Servicing Contractor or Third Party Administrator and the Insured to the contrary notwithstanding;

3. loss of Money collected or received for the account of the Insured by any Servicing Contractor or Third Party Administrator covered under this bond unless such Servicing Contractor or Third Party Administrator 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, any Loan made to a Servicing Contractor or Third Party Administrator, including any such 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 or Third Party Administrator to pay over Property held as security for any such Loan.

FF. This bond does not cover under Insuring Agreement F., in addition to all the other exclusions, loss resulting directly or indirectly from:

1. 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 such 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 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 M.2., in addition to all of the other exclusions, loss resulting directly or indirectly from the Insured’s assumption of liability by contract unless the liability arises from a loss covered by Insuring Agreement M.2 and would be imposed on the Insured regardless of the existence of the contract.

HH. This bond does not cover loss resulting directly or indirectly from the alleged or actual destruction of Property by an Employee and the damage, destruction or loss of confidential information owned by the Insured or for which the Insured is legally liable such as trade secrets, formulas, patents, customer lists contained on or in data processing materials, negatives, drawings, manuscripts, prints and other records of a similar nature.

II. 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.

JJ. This bond does not cover loss resulting directly or indirectly from the dishonest or fraudulent acts of an Employee, Servicing Contractor or Third Party Administrator, as to whom the bond has terminated pursuant to Condition S. Cancellation or Termination. Provided, however, that this exclusion does not apply to loss of any Property already in transit in the custody of such Employee, Servicing Contractor or Third Party Administrator at the time the bond terminated or to loss resulting directly from dishonest or fraudulent acts occurring prior to the time the bond terminated.

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, or their functional equivalent, first becomes aware of facts which 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, or their functional equivalent, receives notice of an actual or potential claim in which it is alleged that the Insured is liable to a third party under circumstances which, 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. any one act or series of related acts of burglary, robbery or attempt thereat, in which no Employee is implicated;
2. any 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 any person (whether an Employee or not) or in 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 the Bond Period regardless of when paid, will not exceed the Aggregate Limit of Insurance as set forth in ITEM 6. of the Declarations. Such Aggregate Limit of Insurance will be reduced, and may be exhausted, by the amount of any payment under any Insuring Agreement for any loss discovered during that Bond Period. The reduced Aggregate Limit of Insurance will then become the Aggregate Limit of Insurance. Upon exhaustion of the Aggregate Limit of Insurance by such payment:

1. the Company will have no further liability under any Insuring Agreements 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 the 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 Insuring Agreement whether or not the Company has elected to defend any action thereunder.

The Aggregate Limit 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 Limit of Insurance for any Bond Period will not, however, be increased or reinstated by any remaining portion of an Aggregate Limit 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 Aggregate Limit of Insurance for the Bond Period in which the loss was discovered.

In the event that a loss of Property is settled by the Company through the use of a lost instrument bond, such loss will not reduce the 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, however 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 or not the Company is liable therefor, and upon the request of the Company 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 of the Company 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

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 in such suit shall become final.

5. 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.

6. This bond is for the sole 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 shall 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 of America 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 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 for 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 which will have been furnished by the Insured in order to reproduce such books and other records.

4. Property other than Money, Securities or 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., 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, replace or repair such Property.

With respect to damage of Property covered under Insuring Agreement B.2., 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 and 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 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. above 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 however, 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, and such payments will not be deemed to be excess loss for the purposes of establishing order of priority;

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.

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 whatsoever 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

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

   a. submit to examination by the Company and subscribe to the same under oath;

   b. produce for the Company's examination all pertinent records; and

   c. cooperate with the Company in all matters pertaining to the loss.

2. With respect to Insuring Agreement I., this bond does not provide coverage in favor of any General Agent or Soliciting Agent, and upon payment to the Insured by the Company on account of any loss or losses for which such General Agent or Soliciting Agent is liable to the Insured, an assignment of such of the Insured's rights and causes of action as it may have against such General Agent or Soliciting Agent because of such liability will, to the extent of such payment, be given by the Insured to the Company, and the Insured will execute all papers necessary to secure to the Company the rights which are herein provided.

3. With respect to Insuring Agreement J., this bond does not provide coverage in favor of any Servicing Contractor, and upon payment to the Insured by the Company on account of any loss for which such Servicing Contractor is liable to the Insured, an assignment of such of the Insured's rights and causes of action as it may have against such Servicing Contractor because of such liability will, to the extent of such payment, be given by the Insured to the Company, and the Insured will execute all papers necessary to secure to the Company the rights which are herein provided.

4. With respect to Insuring Agreement K., this bond does not provide coverage in favor of any Third Party Administrator, and upon payment to the Insured by the Company on account of any loss for which such Third Party Administrator is liable to the Insured, an assignment of such of the Insured's rights and causes of action as it may have against such Third Party Administrator because of such liability will, to the extent of such payment, be given by the Insured to the Company, and the Insured will execute all papers necessary to secure to the Company the rights which are herein provided.
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 which is a Forgery, or that it be 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 terminated or cancelled 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 terminated, cancelled or allowed to expire, the Company, with respect to any loss sustained prior to such termination, cancellation 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 provided 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. which is owned by the Insured;
2. which is held by the Insured in any capacity; or
3. for which the Insured is responsible,

prior to or at the time of 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 any other 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.

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, or their
functional equivalent, 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, or their functional equivalent, learns of any dishonest or fraudulent non-employment related act which resulted in a loss of Property in excess of $25,000,

either of which were 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 and without regard to whether the knowledge was obtained before or after the commencement of this bond.

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 General Agent, Servicing Contractor, Soliciting Agent or Third Party Administrator:

(1) as soon as an Employee of the risk management, compliance, internal audit or legal department, or any titled officer, branch manager or risk manager of the Insured, or their functional equivalent, learns of any dishonest or fraudulent act on the part of such General Agent, Servicing Contractor, Soliciting Agent or Third Party Administrator and without regard to whether the knowledge was obtained before or after the commencement of this bond, 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 General Agent, Servicing Contractor, Soliciting Agent or Third Party Administrator at the expiration of 30 days after such discovery of such act; or

(2) at 12:01 A.M. standard time, as aforesaid, 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, as aforesaid, to the Insured at its principal office is sufficient proof of notice.

Should this bond be canceled, reduced, non-renewed or restrictively modified by either the Company or by the Insured, the Company will endeavor to give 30 days advance notice (10 days subsequent notice when action is initiated by the Insured) to the Federal Home Loan Mortgage Corporation, Federal National Mortgage Association or Government National Mortgage Association as applicable, but failure to do so will not impair or delay the effectiveness of any such cancellation, reduction, non-renewal or restrictive modification, nor will the Company be held liable in any way for such failure.

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, however 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,

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 for the 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. LIBERALIZATION

If, within 45 days prior to or during the Bond Period, the Company adopts any non-premium bearing revision to this bond that would broaden the coverage under this bond, such broadened coverage will apply to this bond as of the date the revision is approved for general use by the applicable department of insurance.

V. 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.