

LOAN PARTICIPATION EXCLUSION

This Endorsement Changes The Bond. Please Read it Carefully.

Certain words and phrases that appear in bold have special meaning as defined in the Intact form to which this Endorsement is attached.

The titles of sections or paragraphs listed below should not be considered for purposes of interpreting the intent of this Form; these titles have only been inserted for ease of reading.

In consideration of the payment of the premium, it is hereby understood and agreed that the **"Underwriter"** shall not be liable for loss under **Insuring Agreement E** of the attached **"Bond"** on account of any of the items listed in paragraph (1) of the **Insuring Agreement** accepted by another financial institution as collateral on a loan on which the **"Insured"** accepts a participation unless an **"Employee"**, prior to the acceptance by the **"Insured"** of such participation, has actual physical possession of such items.

All other terms and conditions of this Policy remain unchanged.