

EXTENDED CONSOLIDATION – MERGER AGREEMENT – AMENDMENT

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:

1. the **General Agreement (B) ADDITIONAL OFFICES OR EMPLOYEES – CONSOLIDATION, MERGER OR PURCHASE OF ASSETS – NOTICE** is deleted and replaced by the following:

(B) ADDITIONAL OFFICES OR EMPLOYEES – CONSOLIDATION, MERGER OR PURCHASE OF ASSETS – NOTICE

If the “**Insured**” shall, while this “**Bond**” is in force, establish any additional offices, other than by consolidation or merger with, or purchase or acquisition of assets or liabilities of, another institution, such offices shall be automatically covered hereunder from the date of such establishment without the requirement of notice to the “**Underwriter**” or the payment of additional premium for the remainder of the Bond Period.

If the “**Insured**” shall, while this “**Bond**” is in force, consolidate or merge with, or purchase or acquire assets or liabilities of another institution, the “**Insured**” shall have such coverage as is afforded under this “**Bond**” for loss which:

- a) has occurred or will occur in the offices or premises;
- b) has been caused or will be caused by an employee or employees of such institution; or
- c) has arisen or will arise out of the assets or liabilities;

acquired by the “**Insured**” as a result of such consolidation, merger or purchase or acquisition of assets or liabilities if:

- i) the Insured gives the “**Underwriter**” written notice of the proposed consolidation, merger or purchase or acquisition of assets or liabilities within thirty (30) days after the proposed effective date of such action; and
- ii) the “**Insured**” pays an additional premium to be agreed to by the “**Underwriter**”; and
- iii) the institution involved has, at the time of the transaction, assets of an amount which is less than fifty per cent (50%) of the consolidated assets of the Insured (up to a maximum amount of \$100,000,000.), has no more than one hundred (100) employees in total, and has not reported or incurred any losses of the type that would have been covered under this “**Bond**” in an amount totalling more than \$100,000. within the last three (3) years.

2. If any of the conditions under item (iii) above are not met, the “**Insured**” shall not have such coverage as is afforded under this “**Bond**” for loss which:

- a) has occurred or will occur in offices or premises;
- b) has been caused or will be caused by an employee or employees of such institution; or
- c) has arisen or will arise out of the assets or liabilities;

acquired by the “**Insured**” as a result of such consolidation, merger or purchase or acquisition of assets or liabilities unless the “**Insured**” shall:

- i) give the “**Underwriter**” written notice of the proposed consolidation, merger or purchase or acquisition of assets or liabilities prior to the proposed effective date of such action, and
- ii) obtain the written consent of the “**Underwriter**” to extend the coverage provided by this “**Bond**” to such additional offices or premises, employees and other exposures, and
- iii) upon obtaining such consent, pay to the “**Underwriter**” an additional premium.

All other terms and conditions of this Policy remain unchanged.