

Subsequent advances endorsement.

The insurer here insures that:

1 In spite of any terms or provisions of the policy to the contrary, advances made subsequent to the Date of Policy pursuant to, and strictly according to the terms of, the insured mortgage and revolving credit loan agreement shall be included within the coverage of the policy not to exceed the Amount of Insurance, even though the principal indebtedness may have reached the Amount of Insurance and have been reduced from time to time preceding such subsequent advance; and

2 That such subsequent advances shall have the same priority over liens, encumbrances, and other matters as advances secured by the insured mortgage as of the Date of Policy, except for the following matters, if any, disclosed by the public records, or actually known to the insured, prior to the date of any such subsequent advance:

(a) There has been a sale or transfer of all or any portion of the estate or interest encumbered by the insured mortgage.

(b) Ad valorem real estate taxes or special assessments levied against the property.

(c) Mechanic's lien claims against the property.

(d) Bankruptcies affecting the estate or interest of the mortgagor, mortgagors, or any of them.

This endorsement does not insure against loss or damage based upon usury nor any advance made in any period during which a default exists under the terms of the insured mortgage.

This endorsement is made a part of the commitment of policy. It is subject to all the terms of the commitment or policy and prior endorsements. Except as expressly stated on this endorsement, the terms, dates and amount of the commitment or policy and prior endorsements are not changed.