

**207 Waiver**

**Title**

**Legal Description**

**Policy or Appeals**

**Correspondence Between Legal & Staff**

**Letter of Authorization**



9800 Fredericksburg Road - San Antonio, Texas 78288

AMENDED DECLARATIONS PAGE - EFFECTIVE 08/24/16

Named Insured and Residence Premises

Policy Number

THE MCDONNELL FAMILY REVOCABLE LIVING TRUST

USAA 00059 07 37 94A

6713 E HOLLY ST  
SCOTTSDALE, MARICOPA, AZ 85257-2523

Policy Period From: 02/20/16 To: 02/20/17  
(12:01 A.M. standard time at location of the residence premises)

<b>SECTION I - COVERAGES AND AMOUNTS OF INSURANCE</b>	
COVERAGE A - DWELLING PROTECTION	\$188,000
COVERAGE B - OTHER STRUCTURES PROTECTION	\$18,800
COVERAGE C - PERSONAL PROPERTY PROTECTION	\$94,000
COVERAGE D - LOSS OF USE PROTECTION (UP TO 12 MONTHS)	UNLIMITED
<b>SECTION II - COVERAGES AND LIMITS OF LIABILITY</b>	
Personal Liability - Each Occurrence	\$300,000
Medical Payments to Others	\$5,000
<b>DEDUCTIBLES (Applies to SECTION I Coverages ONLY)</b>	
We cover only that part of the loss over the deductible stated.	
ALL PERILS	\$1,000
<b>POLICY PREMIUM for Section I and Section II Coverages Above</b>	\$728.74
<b>CREDITS AND DISCOUNTS</b> (Included in policy premium above.)	\$376.92 CR
Details on the following page. (If applicable)	
<b>OTHER COVERAGES AND ENDORSEMENTS</b>	
Forms and Endorsements are printed on the following page.	
<b>STATE SURCHARGES AND TAXES</b> (Shown below if applicable)	
<b>TOTAL POLICY PREMIUM</b>	
Including Credits, Discounts, Optional Coverages, Endorsements, State Surcharges and Taxes	
\$728.74	
<b>PREMIUM DUE AT INCEPTION. THIS IS NOT A BILL.</b>	

In witness whereof, this policy is signed on 08/23/16

*Laura Bishop*

Laura Bishop  
President, USAA Reciprocal Attorney-in-Fact, Inc.

**REFER TO YOUR POLICY FOR OTHER COVERAGES, LIMITS AND EXCLUSIONS.**



UNITED SERVICES AUTOMOBILE ASSOCIATION  
AMENDED DECLARATIONS PAGE - EFFECTIVE

08/24/16

USAA Policy Number 00059 07 37 94A

Policy Term: 02/20/16  
Inception

02/20/17  
Expiration

ADDITIONAL INSUREDS

CITY OF SCOTTSDALE

POLICY AND ENDORSEMENTS THAT ARE PART OF YOUR CONTRACT WITH US.

REMAIN IN EFFECT (Refer to prior Policy Packet(s) for documents not attached.):

- QR9 (02) (07-08) QUICK REFERENCE-PREFERRED PROTECTION
- HO-9R (02) (07-08) PREFERRED PROTECTION PLAN
- HO-ACP (07-12) AMENDMENT TO CONTRACT PROVISIONS
- HO-AZ (11-09) ARIZONA SPECIAL PROVISIONS
- HOSLS9 (02) (07-08) SPECIAL LOSS SETTLEMENT
- HO-208 (07-12) WATER BACKUP OR SUMP PUMP OVERFLOW

ADDED:

- HO-41 (08-09) ADDITIONAL INSURED

YOUR PREMIUM HAS BEEN REDUCED BY THE FOLLOWING CREDITS AND DISCOUNTS:

AUTO AND HOME COMBINATION DISCOUNT	\$80.97 CR
CLAIMS FREE DISCOUNT	\$80.97 CR
HOME AGE DISCOUNT	\$214.98 CR

REASON(S) FOR CHANGE:

CHANGE NAMED INSURED

ADDITIONAL INSURED

In consideration of the person or organization shown in this endorsement having met and complied with our acceptability requirements, this endorsement forms a part of the policy.

The definition of "insured" in this policy includes the person or organization named in this endorsement with respect to the coverages indicated below:

- SECTION I (Location designated only)  
Coverage A - Dwelling Protection and Coverage B - Other Structures Protection.
- Coverage C - Personal Property Protection applies only when the additional insured shown below is a resident of the "member's" household.
- SECTION II (Location designated only)  
Coverage E - Personal Liability and Coverage F - Medical Payment to Others but only with respect to the designated location shown in this endorsement.
- SECTION II - Coverage E - Personal Liability and Coverage F - Medical Payments to Others.

This coverage does not apply to "bodily injury" to any employee arising out of or in the course of the employee's employment by the

person or organization named in this endorsement.

The person or organization named in this endorsement is not responsible for the payment of any premiums. Any premiums returned and any dividend we may declare will be paid to the "member".

The "member" is authorized to act for the person or organization shown in this endorsement in all matters pertaining to this insurance.

This endorsement is added at the request of the "member". Coverage under this endorsement does not grant membership or associate membership or grant or imply eligibility for membership or associate membership.

If this policy is canceled or not renewed by us, the person or organization shown in this endorsement will be notified at least 10 days before the date cancellation or nonrenewal takes effect. This cancellation notice will be delivered or mailed to the address shown on this endorsement.

Except as specifically modified in this endorsement, all provisions of the policy to which this endorsement is attached also apply to this endorsement.

Name and Address of Person or Organization:

Interest: CITY/MUNICIPALITY

CITY OF SCOTTSDALE  
3939 N DRINKWATER BLVD  
SCOTTSDALE AZ 85251-4330

Designated Location:

6713 E HOLLY ST  
SCOTTSDALE, AZ

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**HOMEOWNER'S POLICY OF TITLE INSURANCE  
FOR A ONE-TO-FOUR FAMILY RESIDENCE  
ISSUED BY**

**STEWART TITLE GUARANTY COMPANY**

As soon as You Know of anything that might be covered by this Policy, You must notify Us promptly in writing at the address shown in Section 3 of the Conditions.

**OWNER'S COVERAGE STATEMENT**

This Policy insures You against actual loss, including any costs, attorneys' fees and expenses provided under this Policy. The loss must result from one or more of the Covered Risks set forth below. This Policy covers only Land that is an improved residential lot on which there is located a one-to-four family residence and only when each insured named in Schedule A is a Natural Person.

Your insurance is effective on the Policy Date. This Policy covers Your actual loss from any risk described under Covered Risks if the event creating the risk exists on the Policy Date or, to the extent expressly stated in Covered Risks, after the Policy Date.

Your insurance is limited by all of the following:

- The Policy Amount
- For Covered Risk 16, 18, 19 and 21, Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.
- The Exceptions in Schedule B
- Our Duty To Defend Against Legal Actions
- The Exclusions on page 3
- The Conditions on pages 3, 4 and 5.

**COVERED RISKS**

The Covered Risks are:

1. Someone else owns an interest in Your Title.
2. Someone else has rights affecting Your Title because of leases, contracts, or options.
3. Someone else claims to have rights affecting Your Title because of forgery or impersonation.
4. Someone else has an Easement on the Land.
5. Someone else has a right to limit Your use of the Land.

Countersigned by:


  
Authorized Countersignature

**stewart**  
title guaranty company

  
Matt Morris  
President and CEO

Stewart Title & Trust of Phoenix, Inc.  
2930 E. Camelback Rd., Suite 210  
Phoenix, AZ 85016  
Agent ID: 03040B



  
Denise Carraux  
Secretary

If you want information about coverage or need assistance to resolve complaints, please call our toll free number: 1-800-729-1902. If you make a claim under your policy, you must furnish written notice in accordance with Section 3 of the Conditions. Visit our World-Wide Web site at <http://www.stewart.com>.



## COVERED RISKS (Continued)

6. Your Title is defective. Some of these defects are:
- Someone else's failure to have authorized a transfer or conveyance of your Title.
  - Someone else's failure to create a valid document by electronic means.
  - A document upon which Your Title is based is invalid because it was not properly signed, sealed, acknowledged, delivered or recorded.
  - A document upon which Your Title is based was signed using a falsified, expired, or otherwise invalid power of attorney.
  - A document upon which Your Title is based was not properly filed, recorded, or indexed in the Public Records.
  - A defective judicial or administrative proceeding.
7. Any of Covered Risks 1 through 6 occurring after the Policy Date.
8. Someone else has a lien on Your Title, including a:
- lien of real estate taxes or assessments imposed on Your Title by a governmental authority that are due or payable, but unpaid;
  - Mortgage;
  - judgment, state or federal tax lien;
  - charge by a homeowner's or condominium association; or
  - lien, occurring before or after the Policy Date, for labor and material furnished before the Policy Date.
9. Someone else has an encumbrance on Your Title.
10. Someone else claims to have rights affecting Your Title because of fraud, duress, incompetency or incapacity.
11. You do not have actual vehicular and pedestrian access to and from the Land, based upon a legal right.
12. You are forced to correct or remove an existing violation of any covenant, condition or restriction affecting the Land, even if the covenant, condition or restriction is excepted in Schedule B. However, You are not covered for any violation that relates to:
- any obligation to perform maintenance or repair on the Land; or
  - environmental protection of any kind, including hazardous or toxic conditions or substances
- unless there is a notice recorded in the Public Records, describing any part of the Land, claiming a violation exists. Our liability for this Covered Risk is limited to the extent of the violation stated in that notice.
13. Your Title is lost or taken because of a violation of any covenant, condition or restriction, which occurred before You acquired Your Title, even if the covenant, condition or restriction is excepted in Schedule B.
14. The violation or enforcement of those portions of any law or government regulation concerning:
- building;
  - zoning;
  - land use;
  - improvements on the Land;
  - land division; or
  - environmental protection,
- if there is a notice recorded in the Public Records, describing any part of the Land, claiming a violation exists or declaring the intention to enforce the law or regulation. Our liability for this Covered Risk is limited to the extent of the violation or enforcement stated in that notice.
15. An enforcement action based on the exercise of a governmental police power not covered by Covered Risk 14 if there is a notice recorded in the Public Records, describing any part of the Land, of the enforcement action or intention to bring an enforcement action. Our liability for this Covered Risk is limited to the extent of the enforcement action stated in that notice.
16. Because of an existing violation of a subdivision law or regulation affecting the Land:
- You are unable to obtain a building permit;
  - You are required to correct or remove the violation; or
  - someone else has a legal right to, and does, refuse to perform a contract to purchase the Land, lease it or make a Mortgage loan on it.
- The amount of Your insurance for this Covered Risk is subject to Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.
17. You lose Your Title to any part of the Land because of the right to take the Land by condemning it, if:
- there is a notice of the exercise of the right recorded in the Public Records and the notice describes any part of the Land; or
  - the taking happened before the Policy Date and is binding on You if You bought the Land without Knowing of the taking.
18. You are forced to remove or remedy Your existing structures, or any part of them – other than boundary walls or fences – because any portion was built without obtaining a building permit from the proper government office. The amount of Your insurance for this Covered Risk is subject to Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.
19. You are forced to remove or remedy Your existing structures, or any part of them, because they violate an existing zoning law or zoning regulation. If You are required to remedy any portion of Your existing structures, the amount of Your insurance for this Covered Risk is subject to Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.
20. You cannot use the Land because use as a single-family residence violates an existing zoning law or zoning regulation.
21. You are forced to remove Your existing structures because they encroach onto Your neighbor's land. If the encroaching structures are boundary walls or fences, the amount of Your insurance for this Covered Risk is subject to Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.
22. Someone else has a legal right to, and does, refuse to perform a contract to purchase the Land, lease it or make a Mortgage loan on it because Your neighbor's existing structures encroach onto the Land.
23. You are forced to remove Your existing structures which encroach onto an easement or over a building set-back line, even if the Easement or building set-back line is excepted in Schedule B.
24. Your existing structures are damaged because of the exercise of a right to maintain or use any Easement affecting the Land, even if the easement is excepted in Schedule B.
25. Your existing improvements (or a replacement or modification made to them after the Policy Date), including lawns, shrubbery or trees, are damaged because of the future exercise of a right to use the surface of the Land for the extraction or development of minerals, water or any other substance, even if those rights are excepted or reserved from the description of the Land or excepted in Schedule B.
26. Someone else tries to enforce a discriminatory covenant, condition or restriction that they claim affects Your Title which is based upon race, color, religion, sex, handicap, familial status, or national origin.
27. A taxing authority assesses supplemental real estate taxes not previously assessed against the Land for any period before the Policy Date because of construction or a change of ownership or use that occurred before the Policy Date.
28. Your neighbor builds any structures after the Policy Date – other than boundary walls or fences – which encroach onto the Land.
29. Your Title is unmarketable, which allows someone else to refuse to perform a contract to purchase the Land, lease it or make a Mortgage loan on it.
30. Someone else owns an interest in Your Title because a court order invalidates a prior transfer of the title under federal bankruptcy, state insolvency, or similar creditors' rights laws.
31. The residence with the address shown in Schedule A is not located on the Land at the Policy Date.
32. The map, if any, attached to this Policy does not show the correct location of the Land according to the Public Records.

## OUR DUTY TO DEFEND AGAINST LEGAL ACTIONS

We will defend Your Title in any legal action only as to that part of the action which is based on a Covered Risk and which is not excepted or excluded from coverage in this Policy. We will pay the costs, attorneys' fees, and expenses We incur in that defense.

We will not pay for any part of the legal action which is not based on a Covered Risk or which is excepted or excluded from coverage in this Policy.

We can end Our duty to defend Your Title under Section 4 of the Conditions.

**THIS POLICY IS NOT COMPLETE WITHOUT SCHEDULES A AND B**

### EXCLUSIONS

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:
  - a. building;
  - b. zoning;
  - c. land use;
  - d. improvements on the Land;
  - e. land division; and
  - f. environmental protection.

This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.

2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.

4. Risks:

- a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
- b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;
- c. that result in no loss to You; or
- d. that first occur after the Policy Date – this does not limit the coverage described in Covered Risk 7, 8.e, 25, 26, 27 or 28.

5. Failure to pay value for Your Title.

6. Lack of a right:

- a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
- b. in streets, alleys, or waterways that touch the Land.

This Exclusion does not limit the coverage described in Covered Risk 11 or 21.

7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.

### CONDITIONS

#### 1. DEFINITIONS

- a. Easement – the right of someone else to use the Land for a special purpose.
- b. Estate Planning Entity - a legal entity or Trust established by a Natural Person for estate planning.
- c. Known – things about which You have actual knowledge. The words "Know" and "Knowing" have the same meaning as Known.
- d. Land – the land or condominium unit described in paragraph 3 of Schedule A and any improvements on the Land which are real property.
- e. Mortgage – a mortgage, deed of trust, trust deed or other security instrument.
- f. Natural Person – a human being, not a commercial or legal organization or entity. Natural Person includes a trustee of a Trust even if the trustee is not a human being.
- g. Policy Date – the date and time shown in Schedule A. If the insured named in Schedule A first acquires the interest shown in Schedule A by an instrument recorded in the Public Records later than the date and time shown in Schedule A, the Policy Date is the date and time the instrument is recorded.
- h. Public Records – records that give constructive notice of matters affecting Your Title, according to the state statutes where the Land is located.
- i. Title – the ownership of Your interest in the Land, as shown in Schedule A.
- j. Trust – a living trust established by a Natural Person for estate planning.
- k. We/Our/Us – Stewart Title Guaranty Company.
- l. You/Your – the insured named in Schedule A and also those identified in Section 2.b. of these Conditions.

#### 2. CONTINUATION OF COVERAGE

- a. This Policy insures You forever, even after You no longer have Your Title. You cannot assign this Policy to anyone else.

b. This Policy also insures:

- (1) anyone who inherits Your Title because of Your death;
  - (2) Your spouse who receives Your Title because of dissolution of Your marriage;
  - (3) the trustee or successor trustee of a Trust or any Estate Planning Entity to whom You transfer Your Title after the Policy Date;
  - (4) the beneficiaries of Your Trust upon Your death; or
  - (5) anyone who receives Your Title by a transfer effective on Your death as authorized by law.
- c. We may assert against the insureds identified in Section 2.b. any rights and defenses that We have against any previous insured under this Policy.

#### 3. HOW TO MAKE A CLAIM

a. Prompt Notice Of Your Claim

- (1) As soon as You Know of anything that might be covered by this Policy, You must notify Us promptly in writing.
- (2) Send Your notice to **Stewart Title Guaranty Company**, P.O. Box 2029, Houston, Texas 77252-2029, Attention: Claims Department. Please include the Policy number shown in Schedule A, and the county and state where the Land is located. Please enclose a copy of Your policy, if available.
- (3) If You do not give Us prompt notice, Your coverage will be reduced or ended, but only to the extent Your failure affects Our ability to resolve the claim or defend You.

b. Proof Of Your Loss

- (1) We may require You to give Us a written statement signed by You describing Your loss which includes:
  - (a) the basis of Your claim;
  - (b) the Covered Risks which resulted in Your loss;
  - (c) the dollar amount of Your Loss; and



## CONDITIONS (Continued)

- (d) the method You used to compute the amount of Your loss.
- (2) We may require You to make available to Us records, checks, letters, contracts, insurance policies and other papers which relate to Your claim. We may make copies of these papers.
- (3) We may require You to answer questions about Your claim under oath.
- (4) If you fail or refuse to give Us a statement of loss, answer Our questions under oath, or make available to Us the papers We request, Your coverage will be reduced or ended, but only to the extent Your failure or refusal affects Our ability to resolve the claim or defend You.
- (2) Our Maximum Dollar Limit of Liability then in force for the particular Covered Risk, for claims covered only under Covered Risk 16, 18, 19 or 21; or
- (3) the Policy Amount then in force.
- and any costs, attorneys' fees and expenses that We are obligated to pay under this Policy.
- b. If We pursue Our rights under Sections 4.a.(3) and 5.e. of these Conditions and are unsuccessful in establishing the Title, as insured:
- (1) the Policy Amount then in force will be increased by 10% of the Policy Amount shown in Schedule A, and
- (2) You shall have the right to have the actual loss determined on either the date the claim was made by You or the date it is settled and paid.

### 4. OUR CHOICES WHEN WE LEARN OF A CLAIM

- a. After We receive Your notice, or otherwise learn, of a claim that is covered by this Policy, Our choices include one or more of the following:
- (1) Pay the claim;
- (2) Negotiate a settlement;
- (3) Bring or defend a legal action related to the claim;
- (4) Pay You the amount required by this Policy;
- (5) End the coverage of this Policy for the claim by paying You Your actual loss resulting from the Covered Risk, and those costs, attorneys' fees and expenses incurred up to that time which We are obligated to pay;
- (6) End the coverage described in Covered Risk 16, 18, 19 or 21 by paying You the amount of Your insurance then in force for the particular Covered Risk, and those costs, attorneys' fees and expenses incurred up to that time which We are obligated to pay;
- (7) End all coverage of this Policy by paying You the Policy Amount then in force, and those costs, attorneys' fees and expenses incurred up to that time which We are obligated to pay;
- (8) Take other appropriate action.
- b. When We choose the options in Sections 4.a. (5), (6) or (7), all Our obligations for the claim end, including Our obligation to defend, or continue to defend, any legal action.
- c. Even if We do not think that the Policy covers the claim, We may choose one or more of the options above. By doing so, We do not give up any rights.
- c. (1) If We remove the cause of the claim with reasonable diligence after receiving notice of it, all Our obligations for the claim end, including any obligation for loss You had while We were removing the cause of the claim.
- (2) Regardless of 6.c.(1) above, if You cannot use the Land because of a claim covered by this Policy:
- (a) You may rent a reasonably equivalent substitute residence and We will repay You for the actual rent You pay, until the earlier of:
- (i) the cause of the claim is removed; or
- (ii) We pay You the amount required by this Policy. If Your claim is covered only under Covered Risk 16, 18, 19 or 21, that payment is the amount of Your insurance then in force for the particular Covered Risk.
- (b) We will pay reasonable costs You pay to relocate any personal property You have the right to remove from the Land, including transportation of that personal property for up to twenty-five (25) miles from the Land, and repair of any damage to that personal property because of the relocation. The amount We will pay You under this paragraph is limited to the value of the personal property before You relocate it.
- d. All payments We make under this Policy reduce the Policy Amount, then in force, except for costs, attorneys' fees and expenses. All payments We make for claims which are covered only under Covered Risk 16, 18, 19 or 21 also reduce Our Maximum Dollar Limit of Liability for the particular Covered Risk, except for costs, attorneys' fees and expenses.

### 5. HANDLING A CLAIM OR LEGAL ACTION

- a. You must cooperate with Us in handling any claim or legal action and give Us all relevant information.
- b. If You fail or refuse to cooperate with Us, Your coverage will be reduced or ended, but only to the extent Your failure or refusal affects Our ability to resolve the claim or defend You.
- c. We are required to repay You only for those settlement costs, attorneys' fees and expenses that We approve in advance.
- d. We have the right to choose the attorney when We bring or defend a legal action on Your behalf. We can appeal any decision to the highest level. We do not have to pay Your claim until the legal action is finally decided.
- e. Whether or not We agree there is coverage, We can bring or defend a legal action, or take other appropriate action under this Policy. By doing so, We do not give up any rights.
- e. If We issue, or have issued, a Policy to the owner of a Mortgage that is on Your Title and We have not given You any coverage against the Mortgage, then:
- (1) We have the right to pay any amount due You under this Policy to the owner of the Mortgage, and any amount paid shall be treated as a payment to You under this Policy, including under Section 4.a. of these Conditions;
- (2) Any amount paid to the owner of the Mortgage shall be subtracted from the Policy Amount then in force; and
- (3) If Your claim is covered only under Covered Risk 16, 18, 19 or 21, any amount paid to the owner of the Mortgage shall also be subtracted from Our Maximum Dollar Limit of Liability for the particular Covered Risk.
- f. If You do anything to affect any right of recovery You may have against someone else, We can subtract from Our liability the amount by which You reduced the value of that right.

### 6. LIMITATION OF OUR LIABILITY

- a. After subtracting Your Deductible Amount if it applies, We will pay no more than the least of:
- (1) Your actual loss;

### 7. TRANSFER OF YOUR RIGHTS TO US

- a. When We settle Your claim, We have all the rights and remedies You have against any person or property related to the claim. You must not do anything to affect these rights and remedies. When We ask, You must execute documents to evidence the transfer to Us of these rights and remedies. You must let Us use Your name in enforcing these rights and remedies.

## CONDITIONS (Continued)

- b. We will not be liable to You if We do not pursue these rights and remedies or if We do not recover any amount that might be recoverable.
- c. We will pay any money We collect from enforcing these rights and remedies in the following order:
  - (1) to Us for the costs, attorneys' fees and expenses We paid to enforce these rights and remedies;
  - (2) to You for Your loss that You have not already collected;
  - (3) to Us for any money We paid out under this Policy on account of Your claim; and
  - (4) to You whatever is left.
- d. If You have rights and remedies under contracts (such as indemnities, guaranties, bonds or other policies of insurance) to recover all or part of Your loss, then We have all of those rights and remedies, even if those contracts provide that those obligated have all of Your rights and remedies under this Policy.

### 8. THIS POLICY IS THE ENTIRE CONTRACT

This Policy, with any endorsements, is the entire contract between You and Us. To determine the meaning of any part of this Policy, You must read the entire Policy and any endorsements. Any changes to this Policy must be agreed to in writing by Us. Any claim You make against Us must be made under this Policy and is subject to its terms.

### 9. INCREASED POLICY AMOUNT

This Policy Amount then in force will increase by ten percent (10%) of the Policy Amount shown in Schedule A each year for the first five years following the Policy Date shown in Schedule A, up to one hundred and fifty percent (150%) of the Policy Amount shown in Schedule A. The increase each year will happen on the anniversary of the Policy Date shown in Schedule A.

### 10. SEVERABILITY

If any part of this Policy is held to be legally unenforceable, both You and We can still enforce the rest of this Policy.

### 11. ARBITRATION

- a. If permitted in the state where the Land is located, You or We may demand arbitration.
- b. The law used in the arbitration is the law of the state where the Land is located.
- c. The arbitration shall be under the Title Insurance Arbitration Rules of the American Land Title Association ("Rules"). You can get a copy of the Rules from us.
- d. Except as provided in the Rules, You cannot join or consolidate Your claim or controversy with claims or controversies of other persons.
- e. The arbitration shall be binding on both You and Us. The arbitration shall decide any matter in dispute between You and Us.
- f. The arbitration award may be entered as a judgment in the proper court.

### 12. CHOICE OF LAW

The law of the state where the Land is located shall apply to this policy.

## SCHEDULE A

**Name and Address of Title Insurance Company:**

Stewart Title Guaranty Company  
P.O. Box 2029, Houston, TX 77252

**File No.:** 01500-3116

**Policy No.:** O-9240-000638423

**Premium:** \$1,346.00

**Policy Amount:** \$264,000.00

**Policy Date and Time:** February 20, 2015 at 11:21

Deductible Amounts and Maximum Dollar Limits of Liability For Covered Risk 16, 18, 19 and 21:

	<u>Your Deductible Amount</u>	<u>Our Maximum Dollar Limit of Liability</u>
Covered Risk 16:	1% of Policy Amount Shown In Schedule A or \$2,500.00 (whichever is less)	\$10,000.00
Covered Risk 18:	1% of Policy Amount Shown In Schedule A or \$5,000.00 (whichever is less)	\$25,000.00
Covered Risk 19:	1% of Policy Amount Shown In Schedule A or \$5,000.00 (whichever is less)	\$25,000.00
Covered Risk 21:	1% of Policy Amount Shown In Schedule A or \$2,500.00 (whichever is less)	\$5,000.00

**Street Address of Land:** 6713 East Holly Street  
Scottsdale, AZ 85257

**1. Name of Insured:**

Wayne D. McDonnell and Margot B. McDonnell

**2. Your interest in the Land covered by this Policy is:**

Fee Simple

**3. The Land referred to in this Policy is described as:**

SEE EXHIBIT "A" ATTACHED HERETO

EXHIBIT "A"

LEGAL DESCRIPTION

Lot 126, VILLAGE GROVE FOUR, according to Book 74 of Maps, Page 9, records of Maricopa County, Arizona.



## SCHEDULE B EXCEPTIONS

**File No.:** 01500-3116

**Policy No.:** O-9240-000638423

In addition to the Exclusions, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Any claim that arises out of the transaction by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is:
  1. a fraudulent conveyance or fraudulent transfer; or
  2. a preferential transfer except where the preferential transfer results from the failure
    - a. to timely record the instrument of transfer; or
    - b. of such recordation to impart notice to a purchaser for value or to a judgment or lien creditor.
2. Any action by the County Assessor and/or Treasurer, altering the current or prior tax assessment, subsequent to the date of the Policy of Title Insurance.
3. Taxes and assessments collectible by the County Treasurer, Second Installment a lien payable but not yet due for the year 2014.
4. Taxes and assessments collectible by the County Treasurer, a lien not yet due and payable for the year 2015.
5. Reservations or exceptions in Patents or in Acts authorizing the issuance thereof.
6. Water rights, claims or title to water, and agreements, covenants, conditions or rights incident thereto, whether or not shown by the public records.

This exception is not limited by reason of the disclosure of any matter relating to Water Rights as may be set forth elsewhere in Schedule B.

7. Easements, restrictions, reservations, conditions, set-back lines and all other matters as set forth on the plat of said subdivision, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin.
8. Restrictions, Conditions, Covenants, Reservations, including but not limited to any recitals creating easements, liabilities, obligations or party walls, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin contained in instrument recorded in Docket 2290 page 366.
9. Deed of Trust given to secure the original amount of \$272,712.00, and any other amounts payable under the terms thereof
  - Dated: February 10, 2015
  - Trustor: Wayne D. McDonnell and Margot B. McDonnell, husband and wife
  - Trustee: Stewart Title & Trust of Phoenix, Inc.
  - Beneficiary: Mortgage Electronic Registration Systems, Inc. ("MERS"). MERS is a separate corporation that is acting solely as a nominee for Academy Mortgage Corporation
  - Recorded: February 20, 2015, in Document No. 20150110418

## OWNER'S INFORMATION SHEET

Your Title Insurance Policy is a legal contract between You and Us.

It applies only to a one-to-four family residence and only if each insured named in schedule A is a Natural Person. If the Land described in Schedule A of the Policy is not an improved residential lot on which there is located a one-to-four family residence, or if each insured named in Schedule A is not a Natural Person, contact Us immediately.

The Policy insures You against actual loss resulting from certain Covered Risks. These Covered Risks are listed beginning on page 1 of the Policy. The Policy is limited by:

- Provisions of Schedule A
- Exceptions in Schedule B
- Our Duty To Defend Against Legal Actions On Page 3
- Exclusions on page 3
- Conditions on pages 3, 4 and 5.

You should keep the Policy even if You transfer your Title to the Land. It may protect against claims made against You by someone else after Your transfer Your Title.

**IF YOU WANT TO MAKE A CLAIM, SEE SECTION 3 UNDER CONDITIONS ON PAGES 3 and 4.**

The premium for this Policy is paid once. No additional premium is owed for the Policy.

This sheet is not Your insurance Policy. It is only a brief outline of some of the important Policy features. The Policy explains in detail Your rights and obligations and Our rights and obligations. Since the Policy – and not this sheet – is the legal document,

**YOU SHOULD READ THE POLICY VERY CAREFULLY.**

If You have any questions about Your Policy, contact:

**STEWART TITLE  
GUARANTY COMPANY  
P.O. Box 2029  
Houston, Texas 77252**

## STEWART TITLE GUARANTY COMPANY

**STEWART TITLE  
GUARANTY COMPANY  
P.O. Box 2029  
Houston, Texas 77252**

## HOMEOWNER'S POLICY OF TITLE INSURANCE FOR A ONE-TO-FOUR FAMILY RESIDENCE ISSUED BY

### STEWART TITLE GUARANTY COMPANY

#### TABLE OF CONTENTS

	PAGE
OWNER'S COVERAGE STATEMENT	1
COVERED RISKS	1-2
OUR DUTY TO DEFEND AGAINST LEGAL ACTIONS	3
EXCLUSIONS	3
CONDITIONS	
1. Definitions	3
2. Continuation of Coverage	3
3. How to Make a Claim	3-4
4. Our Choices When We Learn of a Claim	4
5. Handling a Claim or Legal Action	4
6. Limitation of Our Liability	4
7. Transfer of Your Rights to Us	4-5
8. This Policy is the Entire Contract	5
9. Increased Policy Amount	5
10. Severability	5
11. Arbitration	5
12. Choice of Law	5
SCHEDULE A	
Policy Number, [Premium], Date [and Time] and Amount Deductible Amounts and Maximum Dollar Limits of Liability	
Street Address of the Land	
1. Name of Insured	
2. Interest in Land Covered	
3. Description of the Land	
SCHEDULE B - EXCEPTIONS	



## WEATHER SHIELD® LIMITED WARRANTY

Subject to the conditions, exclusions and limitations that follow, the manufacturer of WEATHER SHIELD products, WEATHER SHIELD Mfg., Inc. ("WEATHER SHIELD") warrants WEATHER SHIELD products (Weather Shield®, HR175™, Weather Shield Aspire Series®, Weather Shield Signature Series®, Weather Shield Premium Series®, Weather Shield Premium Coastal™, Weather Shield Contemporary Collection™) to be free from defects in material and workmanship as noted below. All referenced times are in relation to date of manufacture Warranty effective date: April 15, 2016.

**Innovations: Wood Shield®, Symmetry Balance System®, TriCore® Frame Technology, EasyCare®, Zo-e-shield™**

### WARRANTY COVERAGE

#### Window and Patio Door Product – Twenty Years

WEATHER SHIELD warrants that its products and insulated glass shall be free from defects in material or workmanship for a period of TWENTY (20) YEARS unless specified below.

Should any WEATHER SHIELD products or components of products be determined by WEATHER SHIELD to contain defects in material or workmanship within the applicable warranty period, WEATHER SHIELD will, at its option, repair the products or components at no charge, or provide replacement products or components at no charge, or refund the original purchase price of the products containing the defective components. Decisions as to whether to repair, replace or refund shall be made by WEATHER SHIELD in its sole discretion. Replacements will be the closest equivalent current product and may not exactly match the original. Replacements will be delivered to the original point of purchase with no shipping charges. If shipment direct to the consumer is requested, normal shipping and handling charges will apply.

#### Wood Rot

##### Wood Shield Clad Wood Products – Thirty Years

Maintained clad wood products shall be warranted against wood rot for a period of THIRTY (30) years. Mildew and other discoloration due to condensation is not considered rot and not covered. Products in contact with the ground are not warranted against wood rot.

##### Wood Shield Wood Exterior Products – Ten Years

Maintained primed /unprimed (unclad) wood products finished pursuant to installation instructions shall be warranted against wood rot for a period of TEN (10) years. Mildew and other discoloration due to condensation is not considered rot and not covered. Products in contact with the ground are not warranted against wood rot.

#### Laminated Glass – Five Years

Laminated glass shall be free from defects in material and workmanship for a period of FIVE (5) years.

#### Decorative Glass – Five Years

Decorative glass shall be free from defects in material and workmanship for a period of FIVE (5) years.

#### Hardware – Ten Years

Hardware shall be free from defects in material and workmanship for a period of TEN (10) years.

#### Accentials™ Color System (Prefinish) – Ten Years

Accentials Color System (Prefinish) on any wood surfaces is warranted for TEN (10) years from peeling, flaking, cracking, blistering or delaminating unless punctured, marred or caused by joint separation.

#### Factory-Applied Interior Finishes – Five Years

Factory-applied interior finish or stain, other than Accentials Color System, is warranted against peeling, checking, or cracking for FIVE (5) years. Standard factory-applied primer is not a finish coat.

#### Manufacturer Applied Finishes- Aluminum and Fiberglass

WEATHER SHIELD's high-performance finish (meeting AAMA 2605 or 625 requirements) and anodizing on aluminum is warranted for TEN (10) years within one mile of a corrosive environment (seacoast/acid rain), and TWENTY (20) years in all other locations to not crack, pit, corrode, peel, blister or flake. Special care and maintenance requirements for corrosive environments apply, please consult the maintenance and care instructions for further information. Exterior finish not meeting AAMA 2605 or 625 requirements installed within one mile of a corrosive environment (seacoast/acid rain) is not warranted, all other locations TWENTY (20) years.

#### Hardware Finish – Ten Years

Corrosive-resistant finishes and seacoast hardware packages installed within one mile of a corrosive environment shall be warranted for TEN (10) years unless marred or scratched. The above conditions/exclusions apply.

#### Glass Stress Cracks – One Year

Glass shall be warranted against stress cracks for ONE (1) year.

#### Transferability – Ten Years

This warranty is transferable to subsequent owners. This transferred warranty is the lesser of TEN (10) years or the period specified from the date of manufacture.

### NON COVERAGE

- Normal wear and tear, weathering and natural variations in wood color or texture are considered normal and not a product defect.
- Normal wear and tear of hardware and hardware finishes that can naturally occur (e.g. corrosion, tarnishing) or damage at construction site.
- Products not installed pursuant to our installation instructions attached to each unit.
- Minor scratches, slight glass curvature or glass imperfections are natural variances in glazing and do not impair structural integrity or significantly obscure normal vision.
- Repairs, refinishing or similar activities involved when skilled labor installs or replaces products.
- Condensation and any related water damage (such as mold or wood rot due to water or ice build up), which occur as a result of humidity within the property or changes in the interior/exterior temperatures, do not indicate a defect. Contact a heating/cooling specialist to assist.
- Products installed in a non-vertical position, discoloration of non-visible parts, or failures or operating difficulties due to accident, acts of God, abuse, misuse, alteration, exposure to the elements, improper or insufficient handling, storage, maintenance or service including, but not limited to, obstruction of weep holes. Installation of units must be finished and operated in accordance with our installation instructions attached to each unit.
- Failures or operating difficulties resulting from use of high-expansion foam insulation, incompatible sealant, cleaning agent, or exposure to corrosive, unusual, harmful or aggressive substances, acid rain, fumes or condensates, subjection to abnormal stress from localized application of heat, excessive vibration or movement of buildings or foundations or to other abnormal physical stress or use in high humidity areas.
- Products installed in buildings with cladding systems that do not allow for proper management/drainage of moisture (e.g. EIFS or synthetic stucco without an engineered drainage system).

(cont. other side)



## WEATHER SHIELD® LIMITED WARRANTY

- Vinyl parts or weather strip that has non-factory-applied paint or stain voids the warranty of the affected unit.
- Warpage or air/water infiltration on any hinged door with a call-out height of greater than 6'10" unless WEATHER SHIELD'S multi-point lock system is used with the door.
- Any installations at an altitude over 3,500 feet above sea level unless capillary tubes have been installed or a HIGH ALTITUDE GLASS PACKAGE is used, which provides limited coverage.
- Insulated True Divided Lite units.
- Products with wood surfaces that are not covered within thirty (30) days after purchase with a high-quality top coat of paint, sealer or varnish. The top coat should be applied as recommended by the paint manufacturer and it is the customer's responsibility to properly care for and protect the woodwork against moisture or excessive dryness.
- Products with factory-applied primer paint that are not covered with a finish coat within six (6) months of unit installation.
- Products or components not provided by WEATHER SHIELD including but not limited to hardware locksets, strikes, or panning systems.
- WEATHER SHIELD products that are stacked or mulled with products manufactured by others.
- Products with modifications (e.g. customer applied paint finishes, tints, films) or security systems without prior approval.

### ADDITIONALLY

- Insulated units with capillary tubes will not have inert gas fill.
- ADA-compliant sills or telescoping, pocket and bifold patio door systems are not designed nor are they intended to manage moisture or water infiltration. The determination of proper building design and moisture management (through an overhang or otherwise) is the responsibility of your building designer, architect or contractor.
- Warping of a door shall not be deemed to be a product defect unless the warping is in the door panel itself and then only if the warping is more than one quarter inch. The amount of warp shall be determined by placing a taut wire or string or straightedge across the face of the installed door panel thought to be concave and measuring the amount of warp at the point of the greatest distance between the bottom of such wire, string or straightedge and the face of the door panel. WEATHER SHIELD may, at its option, defer action on a warping claim for a period of not more than ONE (1) year from the date of the claim to permit the door panel to adjust to temperature and humidity in its installed position.
- The performance of windows and doors may be affected by factors beyond WEATHER SHIELD'S control. Examples include handling and installation, construction details of the building, exposure conditions, maintenance, normal wear and tear, and migration of inert gas. Structural or thermal ratings are for comparison purposes only. While WEATHER SHIELD products are manufactured to meet or exceed published ratings, it is not possible to guarantee that they will meet or exceed those ratings after they have been installed.
- WEATHER SHIELD is not responsible for removing any defective products from the structure in which they are installed, or for installing any replacement products or components provided by WEATHER SHIELD pursuant to this limited warranty, or for any painting, refinishing or other work necessary to complete the installation of replacement products or components, all of which shall be the consumer's responsibility.

### CLASS ACTION AND JURY TRIAL WAIVER

YOU AGREE THAT ANY DISPUTE TO INCLUDE, BUT NOT LIMITED TO, BREACH OF CONTRACT, BREACH OF WARRANTY, CLAIMS BASED IN TORT, NEGLIGENCE, PRODUCT LIABILITY, FRAUD, MARKETING, STATE OR FEDERAL REGULATIONS, ANY CLAIMS REGARDING THE ENFORCEABILITY OF THIS LIMITED WARRANTY, AND THE WAIVER OF JURY AND CLASS ACTION TRIALS ("DISPUTED CLAIMS") MUST BE BROUGHT IN YOUR INDIVIDUAL CAPACITY, AND NOT AS A PLAINTIFF OR CLASS MEMBER IN ANY PURPORTED CLASS OR REPRESENTATIVE PROCEEDING. YOU ALSO AGREE THAT YOU AND WEATHER SHIELD ARE EACH WAIVING THE RIGHT TO A TRIAL BY JURY AND AGREE TO HAVE ALL DISPUTES HEARD AND DECIDED SOLELY BY A STATE OR FEDERAL COURT.

### OPT-OUT PROCEDURE

YOU MAY CHOOSE TO OPT OUT OF THE CLASS ACTION AND JURY TRIAL WAIVER BY SUBMITTING A WRITTEN OPT-OUT FORM THAT CAN BE FOUND ON WEATHER SHIELD'S WEBSITE, [WWW.WEATHERSHIELD.COM/OPTOUT](http://WWW.WEATHERSHIELD.COM/OPTOUT), WITHIN SIXTY (60) DAYS FROM THE DATE YOUR WEATHER SHIELD PRODUCT IS INSTALLED. OPTING OUT OF THE CLASS ACTION AND JURY TRIAL WAIVER WILL NOT AFFECT ANY OTHER TERMS OF THIS LIMITED WARRANTY WHICH WILL REMAIN IN EFFECT.

### Applicable Law

All Disputed Claims shall be governed and construed in accordance with the internal laws of the State of Wisconsin, regardless of any choice of law doctrine.

### GENERAL PROVISIONS

*Selection and purchase of WEATHER SHIELD products which conform to all applicable building codes and local ordinances is the sole responsibility of the architect, building contractor or homeowner. WEATHER SHIELD assumes no responsibility for compliance with local building codes or ordinances, or for calculation and design of support mullions, structural support, or flashing required for installation. Consult with your local building code officials and/or a qualified contractor, architect or engineer for specific requirements.*

THERE ARE NO OTHER EXPRESS WARRANTIES EXCEPT AS SET FORTH HEREIN. ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE ARE LIMITED IN DURATION TO THE PERIODS OF COVERAGE OF THE EXPRESS WARRANTIES SET FORTH IN THIS LIMITED WARRANTY. WEATHER SHIELD SHALL NOT BE LIABLE FOR APPLICABLE TAXES OR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES INCLUDING, BUT NOT LIMITED TO, DAMAGE OR LOSS TO PERSONS OR OTHER PROPERTY.

*Some states do not allow limitations on how long an implied warranty lasts, and some states do not allow the exclusion or limitation of incidental or consequential damages, so these limitations and exclusions may not apply to you. This warranty gives you specific legal rights, and you may also have other rights which vary from state to state.*

If any clause herein is found to be illegal or unenforceable, that clause will be severed from this Limited Warranty and the remainder of the Limited Warranty will be given full force and effect.

NO DISTRIBUTOR, SALESPERSON, DEALER, RETAILER OR OTHER REPRESENTATIVE OF WEATHER SHIELD PRODUCTS HAS THE AUTHORITY TO ALTER OR CHANGE THESE WARRANTIES OR TO MAKE ANY OTHER WARRANTY EITHER ORALLY OR IN WRITING.

Effective Date: April 15, 2016