

**Confidential Settlement Communication – Privileged Pursuant to FRE 408**

and the original check sent to the wrong address shall become void and the proceeds shall revert to AHS.

I. Defendant and its affiliates will have no obligation, liability, or responsibility whatsoever for any taxes or other charges relating to Defendant's payment of Settlement Compensation to any Class Member.

J. In addition to the releases contained in Paragraph 10.1 herein, by making a Claim for Settlement Compensation, all Claimants will be deemed to have thereby irrevocably released any and all Released Claims against the Released Parties arising from, relating to, or otherwise regarding the purchase of the Home Service Contract that is the subject of such Claim for Settlement Compensation.

5.3 **Business Practices.** The parties acknowledge that RESPA prohibits the payment of compensation for the Referral of settlement services and that a condition to Defendant entering into this Stipulation is that Defendant obtain clarification that certain practices that it may follow do not violate RESPA or any interpretation thereof issued by the U.S. Department of Housing and Urban Development, its successor or other federal regulator with appropriate authority ("HUD"). Notwithstanding anything else herein to the contrary, nothing in this Paragraph 5.3 shall constitute or be construed as an admission of any liability or wrongdoing, or recognition of the validity of any allegation of fact or contention of law made by Plaintiffs in this Action or in any other Suit.

A. The parties therefore hereby acknowledge and agree that, to the extent covered by RESPA, the following activities are permitted by RESPA:

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(i) a Real Estate Professional's Referral of Home Service Contract customers to AHS, as long as the Real Estate Professional does not receive compensation for such Referral;

(ii) the payment of compensation by AHS to Real Estate Professionals for Compensable Services provided by them that is determined on the basis of the number of Home Service Contracts sold by such Real Estate Professionals, or on a flat fee or other basis, as long as such compensation is not a payment for marketing directed at a particular home buyer or home seller or for a Referral of Home Service Contract customers;

(iii) AHS's participation in a joint advertising arrangement whereunder AHS's brand and message is included (1) in a Real Estate Professional's advertisements in print or other media, with AHS paying its pro-rata share of the Real Estate Professional's out of pocket cost or of the fair market or other reasonable value for the advertising, and (2) on a Real Estate Professional's website, including a link therein to AHS, with AHS paying the Real Estate Professional the fair market or other reasonable value of such facility; provided that in each case the joint advertising does not include any endorsement or recommendation of AHS from the Real Estate Professional; and

(iv) the payment of compensation by AHS to Real Estate Professionals for the licensing of trade marks or other intellectual property, including in connection with a private label program under which Home Service Contracts are issued by AHS using the name or marks of the Real Estate Professional, provided that such compensation is fixed for a specified period of time without regard to the actual number

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of Home Service Contracts sold by the Real Estate Professional during such period of time.

B. Additionally, the parties further agree that the following types of goods, facilities, and services are not Referrals and are Compensable Services under RESPA and any interpretation thereof issued by HUD:

(i) assisting in the enrollment of Home Service Contract customers in AHS's electronic account system, including without limitation the collection of email addresses;

(ii) collecting specified data, such as the age and features of the home, and number and type of appliances and systems, to be used by AHS in connection with its legitimate business operations, including with regard to underwriting, pricing and servicing of customers of Home Service Contracts; and

(iii) the following administrative services provided by the Real Estate Professional: arranging payment to AHS for a Home Service Contract from any escrow or settlement agent at closing; providing coverage and claims information to customers prior to the issuance of a Home Service Contract; and providing customer service after issuance of a Home Service Contract, including with respect to coverage and claims questions and dispute resolution.

C. The parties acknowledge and agree that nothing in this Section 5.3 shall be construed as implying or suggesting that RESPA limits or restricts any practice or arrangement that is not expressly described in this Section 5.3 as permissible under RESPA, or that AHS is prohibited or restricted by this Agreement from engaging in such practices or arrangements.