

**RESCAP LIQUIDATING TRUST BOARD
PROPOSED OBSERVER PROTOCOL**
November 14, 2016

The following is a protocol with respect to the appointment and role, of the Board Observer to the ResCap Liquidating Trust.¹

- Selection of Board Observer to be made unanimously by the following Unitholders: Canyon Capital Advisors, Discovery Capital Management, Fir Tree Partners, Perry Capital, and SVP Global (collectively, the “Selecting Unitholders”) and be reasonably acceptable to the Liquidating Trust Board. For the avoidance of doubt, Alan Carr is reasonably acceptable to the Liquidating Trust Board to serve as Board Observer.
 - a) Identity of Board Observer (or any replacement) will be posted to the Liquidating Trust website.
 - b) Board Observer (or any replacement) may be replaced at any time by the holders of more than 50% of the Units not held by the Nominating Parties and must be reasonably acceptable to the Liquidating Trust Board.
- Board Observer arrangement to be memorialized in a written agreement (the “Observer Agreement”) between the Liquidating Trust and the Board Observer.
 - a) Observer Agreement to be governed by Delaware law and provide for exclusive Bankruptcy Court jurisdiction.
 - b) Observer Agreement, and any amendments thereto, must be approved by the holders of at least 50% of the Units not held by the Nominating Parties, the Board Observer and the Liquidating Trust Board, provided however, non-material, technical and conforming amendments may be made solely with the consent of the Liquidating Trust Board and the Board Observer.
 - c) Observer Agreement will provide that nothing therein precludes any agreements with other Unitholders that are otherwise consistent with the LTA and applicable law.
 - d) Observer Agreement will be posted to the Liquidating Trust website.
 - e) Any replacement Board Observer must become a party to the Observer Agreement.
- Observer Agreement to contain confidentiality and use restrictions with respect to all information provided to the Board Observer and discussions at meetings without the need for the Liquidating Trust Board to further designate such as confidential (“Confidential Information”). Board Observer may not share Confidential Information with anyone, including Unitholders.

¹ Any capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Amended and Restated ResCap Liquidating Trust Agreement dated, December 17, 2013 (the “LTA”).

- Liquidating Trust Board shall provide Board Observer notice of any meetings of the Liquidating Trust Board substantially contemporaneous with providing same to the members of the Liquidating Trust Board.
- Subject to Information/Attendance Restrictions (set forth below), Board Observer will be provided copies of all notices, minutes (including committee minutes), consents and other materials provided to the Liquidating Trust Board, provided, however, the Board Observer will not be provided with drafts of minutes.
- Subject to Information/Attendance Restrictions (set forth below), Board Observer may attend meetings of the Liquidating Trust Board and may attend committee meetings with the consent of such committee's chair, provided however, if such committee is vested with authority to bind the Liquidating Trust pursuant to Section 6.8 of the LTA, the Board Observer shall have the right to attend such committee's meetings as if it were a Liquidating Trust Board meeting.
- Board Observer shall have the right to be heard at any meeting which he/she attends.
- Liquidating Trust Board to consider in good faith recommendations made by the Board Observer.
- Board Observer shall have no right to vote on matters before the Liquidating Trust Board.
- Information/Attendance Restrictions: The Liquidating Trust Board may exclude Board Observer from access to any materials or meetings (or portion thereof) which: (i) the Liquidating Trust Board concludes in good faith upon advice of counsel, that notwithstanding the expectation that the Board Observer will generally come within the ambit of the attorney-client and joint interest privileges, such exclusion is necessary to preserve such privileges with respect to such material. In such case, the Board Observer shall be informed of the general subject matter of the materials or meetings (or portion thereof) from which the Board Observer is excluded. Notwithstanding anything else set forth herein, the Board Observer may be excluded from access to executive sessions of the Liquidating Trust Board and access to materials distributed in connection with such executive sessions, provided that if the Liquidating Trust Board is soliciting consents from the Liquidating Trustees or taking Action pursuant to Section 6.5 of the LTA at such executive session, the Board Observer may attend that portion of the executive session. Nothing herein shall be deemed to prevent the Liquidating Trust Board from acting by written consent in accordance with the term of the LTA.
- Board Observer to be paid \$180,000 annually by the Liquidating Trust and will be entitled to reimbursement of reasonable expenses. Board Observer will be indemnified by ResCap or the Liquidating Trust and receive advancement of defense costs to the extent permitted by the LTA and the Liquidating Trust's D&O policies.