

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

RESIDENTIAL CAPITAL, LLC, et al.,

Debtors.

)
) Case No. 12-12020 (MG)
)
) Chapter 11
)
) Jointly Administered
)

**STIPULATION AND ORDER BETWEEN THE RESCAP
LIQUIDATING TRUST AND CITY OF BENSON**

This stipulation and order (the “Stipulation”) is made and entered into by the ResCap Liquidating Trust (the “Liquidating Trust”) established pursuant to the terms of the Plan (defined below) in the above-captioned chapter 11 cases (the “Chapter 11 Cases”), on the one hand, and the City of Benson, Arizona (“City of Benson” and together with the Trust, the “Parties”), on the other.



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RECITALS

WHEREAS, on May 14, 2012 (the “Petition Date”), each of the above-captioned debtors (collectively, the “Debtors”), including GMAC Mortgage, LLC (“GMACM”), filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”);

WHEREAS, on December 11, 2013, the Court entered the *Order Confirming Second Amended Joint Chapter 11 Plan Proposed by Residential Capital, LLC et al. and the Official Committee of Unsecured Creditors* (the “Confirmation Order”) approving the terms of the Chapter 11 plan, as amended (the “Plan”), filed in the Chapter 11 Cases [Docket No. 6065]. On December 17, 2013, the effective date of the Plan occurred and, among other things, the Liquidating Trust was established [Docket No. 6137];

WHEREAS, the Plan provides for the creation and implementation of the Liquidating Trust, which, among other things, is responsible for winding down the affairs of the Debtors’ estates. *See* Plan, Art. VI.A-D; *see also* Confirmation Order ¶ 22;

WHEREAS, on October 25, 2016, the City of Benson filed a *Verified Complaint and Application for Preliminary Injunction* against GMACM in the Superior Court of the State of Arizona in and for the County of Cochise (the “Arizona Superior Court”), Case No. 2016-00530 (the “Arizona Case”), seeking to compel GMACM to abate a nuisance on property located at 185 W. 4th St., Benson, Arizona (the “Property”), for which GMACM holds title;

WHEREAS, the City of Benson alleges that GMACM failed to abate the nuisance, and following the City of Benson’s efforts to abate the nuisance, the City of Benson filed a *Verified Statement of Costs* with the Arizona Superior Court;

WHEREAS, on June 26, 2017, GMAC Mortgage, LLC filed a *Notice of Pending Bankruptcy Proceeding* in the Arizona Case (the “Notice of Bankruptcy”), and the Arizona

Superior Court entered an order staying the Arizona Case until the City of Benson obtain relief from the bankruptcy stay in the Chapter 11 Cases;

WHEREAS, on January 3, 2018, the City of Benson filed a *Notice of Presentment of Request for Order that the Automatic Stay and the Plan Injunction Do Not Apply to the City of Benson* [Docket No. 10456] (the “Notice of Presentment”);

WHEREAS, the Parties have conferred and after good faith, arm’s length negotiations, this Stipulation was agreed upon.

NOW THEREFORE, it is hereby stipulated and agreed as between the Parties to this Stipulation, through their undersigned counsel, as follows:

1. The Liquidating Trust agrees to withdraw the Notice of Bankruptcy in the Arizona Case.
2. The Liquidating Trust does not dispute that GMACM is the current title holder of the Property.
3. The City of Benson agrees to withdraw the Notice of Presentment in the Chapter 11 Cases.
4. The City of Benson may proceed in the Arizona Superior Court but solely to (i) execute a stipulation for entry of judgment in the Arizona case in favor of the City of Benson and against GMACM in the form agreed to by the parties (the “Judgment”), and (ii) upon entry of the Judgment, Benson shall be permitted to record the Judgment in Cochise County, Arizona as a lien on the Property and commence an action to judicially foreclose on the Property in full satisfaction of the Judgment.
5. The City of Benson agrees not to: (i) execute upon the Judgment in any other manner, including, but not limited to, attempting to collect any monetary amounts from or

against GMACM, any other Debtor, the Liquidating Trust, or the Trustee for the ResCap Liquidating Trust (the “Liquidating Trustee”); (ii) file or assert a claim or cause of action against any Debtor, the Liquidating Trust, or the Liquidating Trustee for any damages alleged to have arisen out of the facts and circumstances to be addressed in the Arizona Case.

6. This Stipulation shall not be deemed to be or constitute a modification of the injunctive provisions of the Plan and Confirmation Order. In all respects, the injunctive provisions of the Plan and Confirmation Order shall remain in full force and effect with respect to any other parties who may be named in, who otherwise intervene in, or become parties to the Arizona Case, to the extent that such provisions are applicable.

7. This Stipulation shall not be modified, altered, amended, or vacated without the prior written consent of all Parties hereto. Any such modification, alteration, amendment, or vacation in whole or part shall be subject to the approval of this Court.

8. This Stipulation is the entire agreement among the Parties in respect of the subject matter hereof.

9. Each person who executes this Stipulation on behalf of a Party hereto represents that he or she is duly authorized to execute this Stipulation on behalf of such Party.

10. This Stipulation may be executed in multiple counterparts, each of which shall be deemed an original but all of which when taken together shall constitute one and the same instrument. Further, electronic signatures or transmissions of an originally signed document by facsimile or PDF shall be as fully binding on the Parties as an original document.

11. The 14-day stay period under Rule 4001(a)(3) of the Federal Rules of Bankruptcy Procedure is hereby waived and this Stipulation shall be immediately effective upon its entry.

12. This Stipulation shall be of no force or effect unless and until it is approved by the Court.

13. This Court shall retain jurisdiction to resolve all matters relating to the implementation of this Stipulation.

[Remainder of page intentionally left blank]

New York, New York
Dated: January 25, 2018

KRAMER LEVIN NAFTALIS & FRANKEL LLP

//s/

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Counsel for City of Benson

IT IS SO ORDERED.

Dated: February 6, 2018
New York, New York

/s/ Martin Glenn
MARTIN GLENN
United States Bankruptcy Judge