

EXHIBIT F

From: Bill Higgins [BHiggins@mortgageresolutionpartners.com]
Sent: Wednesday, December 12, 2012 7:25 PM
To: Bill Lindsay
Subject: Meeting Follow Up & Materials
Attachments: Richmond-City_Overview_20121210.pdf; Process Maps For City Presentation.pptx; Advisory Services Agreement[1].pdf; Community Presentation2.pdf

Bill:

Thank you for taking the time to meet with us yesterday. We appreciated the discussion. As promised, attached are our data for the City of Richmond PLS mortgages and some of the other materials that we had yesterday. If you have any questions, please feel free to contact me at the number below. I may follow up in a week or so just to see if there are any questions.

Nicole from the mayor's office indicated that the mayor may have some specific questions or want to meet – if I get contacted in that way I will be sure to keep you in the loop (at least my rule is always to keep the city manager informed).

Best,
Bill

Bill Higgins
916.717.8324 T

Community at a glance

Name	City of Richmond		
County	Contra Costa		
CBSA Name	San Francisco-Oakland-Fremont, CA (Oakland-Fremont-Hayward CBSA-Div)		
Population	103,701	(2010 Census)	81,602 (total for zip codes)
Total Households	35,884	(2010 Census)	28,131 (total for zip codes)
Home ownership rate	53%	(2010 Census)	
Total Mortgages (1st's only)	12,128	(2011 CoreLogic)	
% of Underwater homes	46%	(2011 CoreLogic)	
% of Underwater homes - CBSA	32%	(Q1-2012; CBSA-Div)	
% of Underwater homes - State	31%	(Q1-2012)	

Foreclosure statistics

Foreclosures in most recent month	110	month of Oct 2012
Foreclosure rate fraction 1 of every	281	properties received FC notice in Oct 2012

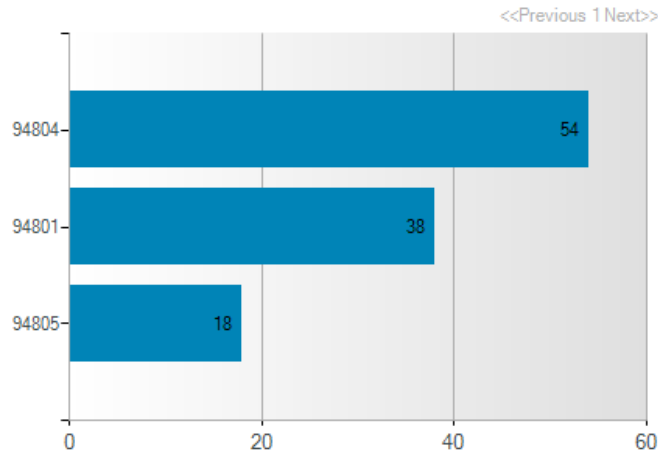
Mortgage stats breakdown	Total	Current	Delinquent	Underwater
Total Mortgages (GSE, Banks, etc)	12,128			5,579 46%
All PLS Mortgages	2,077	1,620 78%	457 22%	1,700 82%
PLS Single-family, Owner-Occ, 1st	1,468	937 64%	294 20%	1,236 84%

City of Richmond PLS Loans by Zip (July - 2012) *

Zip Code	Households	Total PLS Loans	Average Unpaid Principal Balance	Underwater Loans					
				Total U/W	% U/W of Total PLS	Total U/W & Current	% of U/W that are Current	Delinquent	In Foreclosure or REO
94801	9,034	662	\$330,530	538	81%	382	71%	74	82
94802	-	2	\$129,232	-	0%	-	#DIV/0!	-	-
94804	13,948	999	\$304,867	834	83%	601	72%	111	122
94805	5,149	408	\$336,337	326	80%	234	72%	53	39
94807	-	2	\$432,879	1	50%	1	100%	-	-
94808	-	3	\$121,982	-	0%	-	#DIV/0!	-	-
94850	-	1	\$420,523	1	100%	1	100%	-	-
28,131 2,077 \$318,974				1,700	82%	1,219	72%	238	243

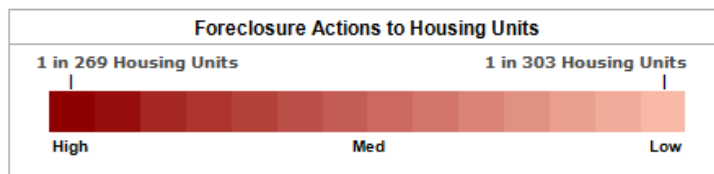
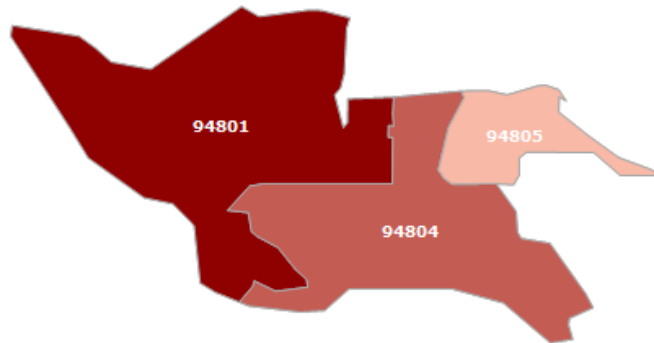
* Note, zip codes listed may cover some areas outside of the city limits and/or leave portions uncovered resulting in variance versus census tract data. Because loan statistics are tracked by zip code, the above number should be treated as an estimate. Exact numbers will be determined from lien addresses at the appropriate time.

Foreclosure statistics by zip code



110 new foreclosures filed in Oct 2012

October 2012 Foreclosure Rate Heat Map



1 in every 281 housing units received a foreclosure filing in Oct 2012

Mortgage Resolution **PARTNERS**

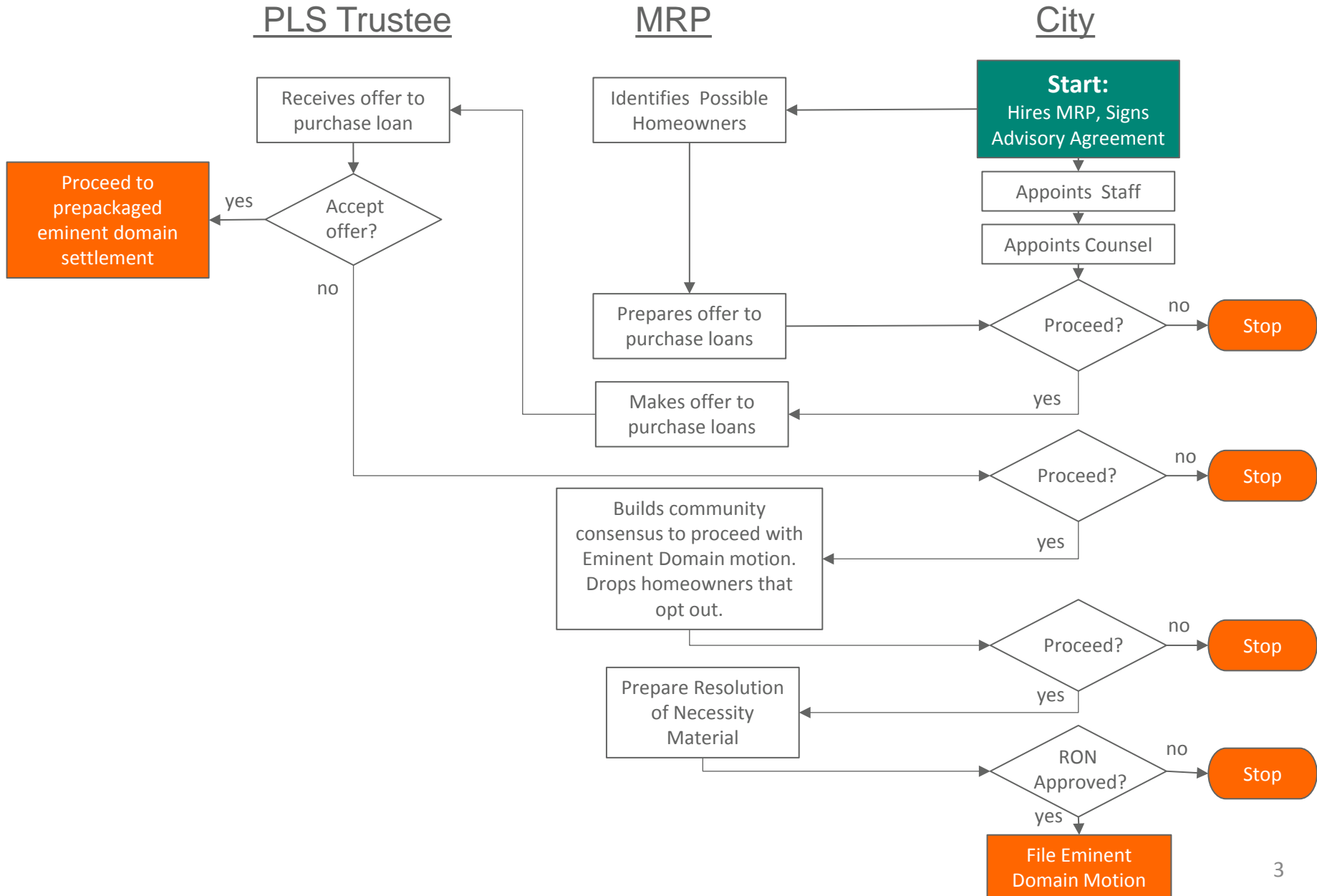
*Saving Homes, Saving Cities
Solving the Mortgage Crisis Locally*

Processes and Cash Flows

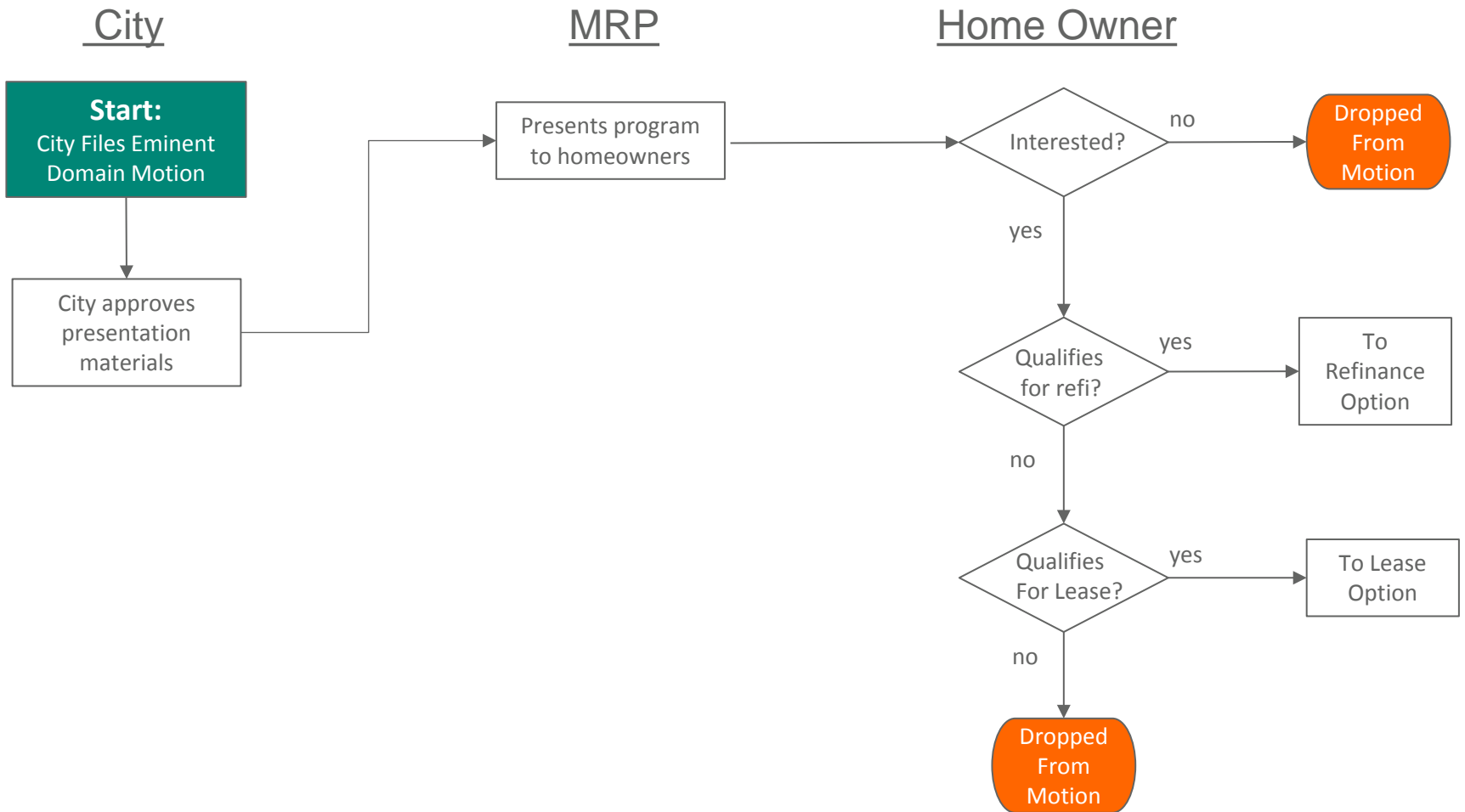
Key Steps To The MRP Process

1. The City hires MRP at no cost per the terms of the MRP Advisory Agreement as modified by the City and agreed to by MRP. At each step in the process the City has the option to terminate the Agreement and must approve the next step before it is taken. The City does not pay any costs of the program. Nothing in the Agreement obligates the City to file an eminent domain motion.
2. The City pre approves all communications with the homeowners and the community.
3. Before or after the City files an eminent domain motion the Homeowner may opt out of the program and their mortgage will be dropped from the motion before it is purchased.
4. Qualified homeowners who opt into the program may elect to refinance for less than the current value of their home.
5. Qualified homeowners who opt into the program may elect to sell their home in full satisfaction of their mortgage and lease back their home with an option to purchase it in the future.
6. Homeowners who opt into the program, but do not qualify for a refinance or a lease will be dropped from the eminent domain motion before their mortgage is purchased.

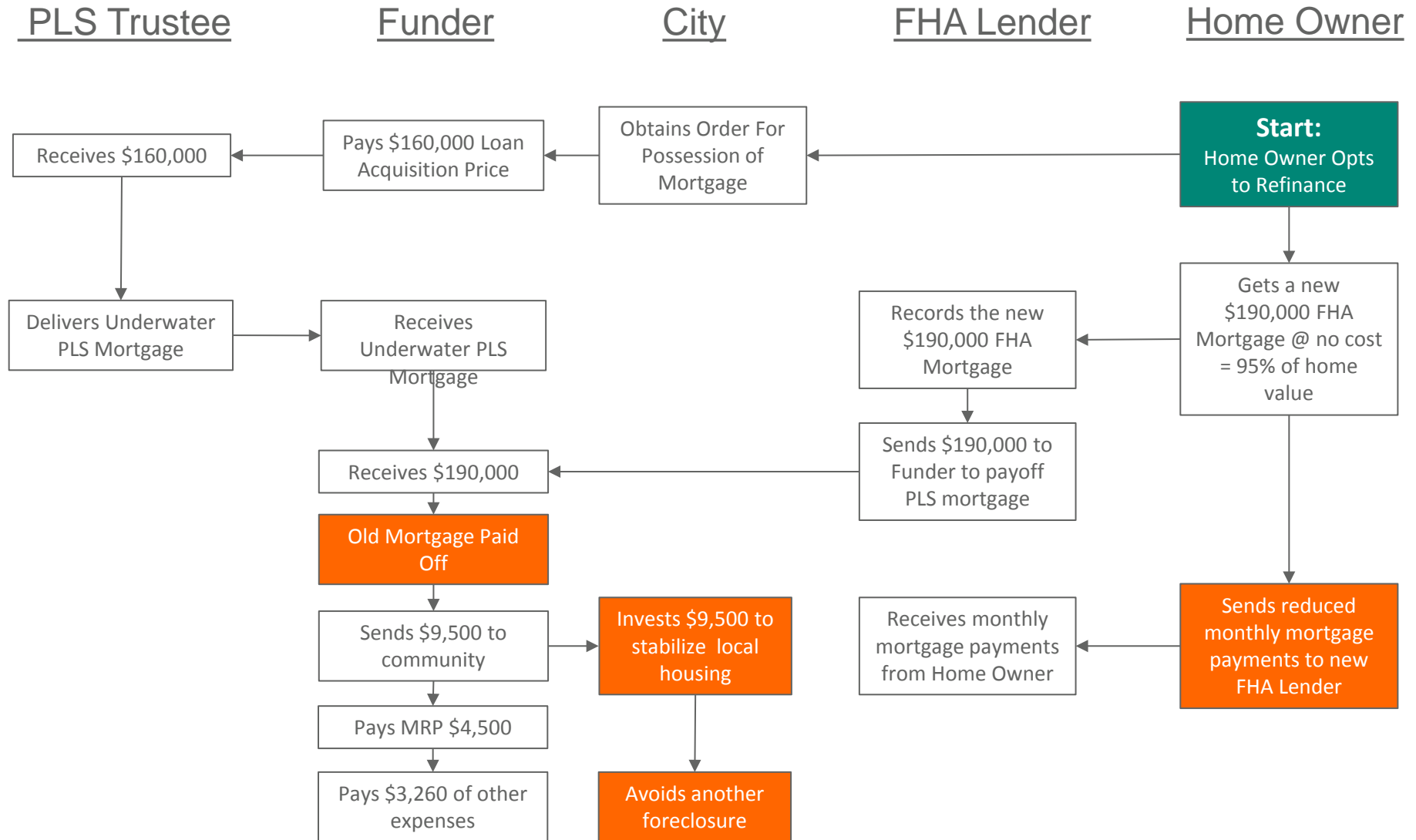
Step 1. City Controls The Process



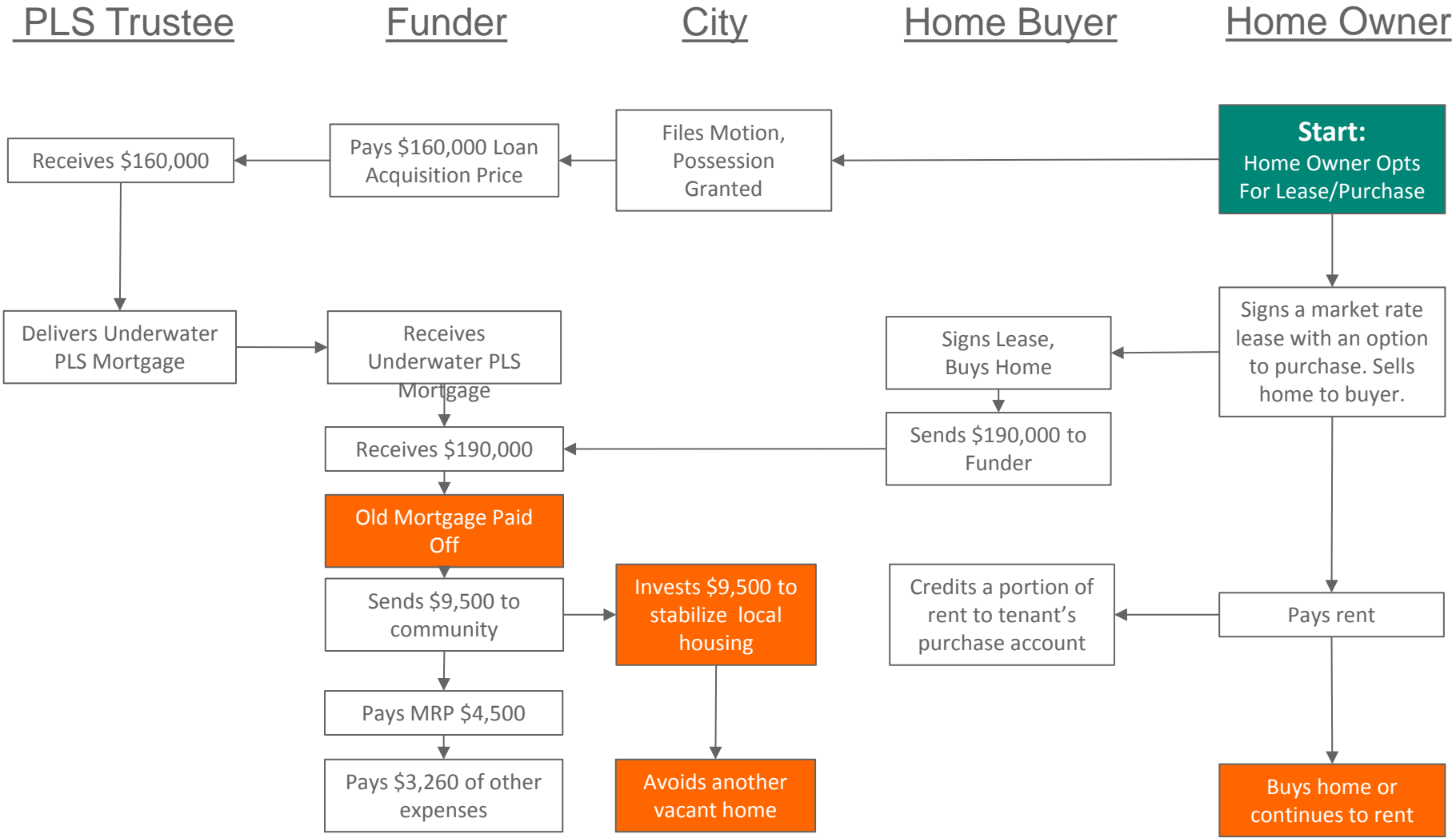
Step 2. Home Owner May Opt Out



Step 3: Refinance Option



Step 3: Lease/Purchase Option



Follow the Money

Proceeds From Refinance Of Each Loan or Home Sales Proceeds	\$190,000
Fair Value Paid for Each Loan (If 80% of home value)	(\$160,000)
	<hr/>
Gain On Each Loan	\$30,000
Where does the \$30,000 Gain On Each Loan Go?	
Paid to Community For Each Loan	\$9,500 ←
Paid to Funder For Each Loan	\$20,500 ←
MRP Fee Paid By Funder	(\$4,500)
Eminent Domain Legal Expenses Paid By Funder	(\$2,000)
Cost of Homeowner Education Paid By Funder	(\$600)
Mortgage Servicing Costs During Holding Period Paid By Funder	(\$100)
Fees Paid to Investment Bankers Paid By Funder	(\$560)
	<hr/>
Funder Net Income Per Loan	\$13,540 (8%)

ADVISORY SERVICES AGREEMENT

This Advisory Services Agreement (“Agreement”) is entered into by and between Mortgage Resolution Partners LLC, a Delaware limited liability company (“MRP”) and the City of _____ (the “City”) and is effective as of _____, 2012 (the “Effective Date”).

RECITALS

A. MRP is a community advisory firm advising public agencies on ways to assist the agency in reducing the impact of the mortgage crisis with its communities including, if necessary, by acquiring mortgage loans through the use of eminent domain, in order to restructure or refinance the loans and thereby preserving home ownership, restoring homeowner equity and stabilizing the communities’ housing market and economy by allowing many homeowners to remain in their homes.

B. America in general and the City in particular are each experiencing an historic home mortgage crisis and as a result of the home mortgage crisis, many homeowners in the City have lost significant portions of their disposable income, and some have been unable to make timely mortgage payments on their homes. This has resulted in unprecedented rates of default and foreclosure, loss of homeowner equity, loss of family wealth, and even loss of shelter for some families. The home mortgage crisis has resulted in other adverse impacts within the City such as job losses, reductions in income, consumer demand, and investment, a spiraling reduction in property values, a reduction in property and payroll tax revenues, vandalism, abandoned homes and a general decline in the economy and the quality of life for residents. Restructuring or refinancing mortgage loans will benefit the City’s residents by preserving home ownership; restoring homeowner equity; and likely also increasing income, property values, consumer demand, investment, and property and payroll tax revenue.

C. The City is interested in retaining MRP to act as its advisor to assist the City in exploring potential solutions to the mortgage crisis; to assist the City by negotiating on the City’s behalf with entities which will provide the necessary funding to the City in order to allow the City to acquire loans; and to assist the City in negotiating contracts with third parties including owners of loans, attorneys, lenders, data companies, other government agencies and others as necessary to implement a program or programs to benefit the City’s residents.

NOW THEREFORE, in consideration of the foregoing, MRP and the City agree as follows:

1. **PURPOSE.** The purpose of this Agreement is to enable the City and MRP to work together to assess and implement a program or programs designed to ease the impacts of the mortgage crisis on the residents of the City.
2. **SERVICES.** MRP agrees to provide the following services (“Services”), and the City authorizes MRP to represent the City as described:

(a) to advise the City on various alternatives in order to provide assistance to its residents who are burdened with mortgage loans including assessing the possibility and benefits of the formation of a joint powers authority;

(b) to identify and negotiate with companies acceptable to the City, in its sole and absolute discretion, to lend funds to the City on a fully secured, non-recourse basis if such funds are required in order to provide the necessary relief;

(c) to provide extensive legal research acquired by MRP on all aspects of the acquisition and refinancing of mortgage loans including each of the legal steps necessary to implement the necessary programs;

(d) to identify and negotiate with law firms acceptable to the City, in its sole and absolute discretion, to work with the City to implement the programs which the City elects to implement;

(e) to negotiate with other local, state and federal governments and agencies as necessary to implement programs chosen by the City;

(f) to negotiate on behalf of the City with the holders of mortgage loans secured by property owned by residents of the City (and with trustees, servicers, investors and other parties having a relationship with the holders of the loans);

(g) to work with the City to identify mortgage loans to target based upon the City's criteria;

(h) to negotiate on behalf of the City with any other third party as necessary to implement programs which the City elects to implement; and

(i) to work with the City to establish education and communication programs to address residents' questions about a program or programs the City implements.

Provided, however, in no event shall MRP have the authority to enter into any contracts on behalf of the City.

3. **COMPENSATION.** As its sole and exclusive compensation for the performance of the Services (the "Advisory Fee"), MRP shall receive the sum of \$4,500 per loan for each loan ultimately acquired by the City or otherwise resolved in a manner which results in the restructuring or refinancing of a loan through a program implemented by the City. The Advisory Fee shall be paid only through the programs implemented by the City and shall not be paid directly by the City.

4. **ASSIGNMENT.** MRP shall not have the right to assign and/or delegate its duties hereunder without the prior written consent of City, which consent may be withheld in the City's sole and absolute discretion.

5. **COOPERATION.** Each party agrees to cooperate to carry out the purpose of this Agreement and to perform all acts and execute all documents reasonably required to institute the

programs chosen by the City pursuant to the terms of this Agreement or as are or may become necessary or convenient to effectuate and carry out this Agreement.

6. RELATIONSHIP OF PARTIES. The relationship of MRP to the City shall at all times be that of an independent contractor. MRP expressly acknowledges and agrees that it does not have the authority to bind the City by contract or otherwise.

7. TERM. This Agreement shall be in effect for a period of one (1) year from the Effective Date and will be renewed automatically for successive terms of one (1) year each unless either party gives notice to the other at least sixty (60) days prior to the termination of any term. This Agreement will continue in effect after the end of the term of this Agreement with respect to all programs which the City has implemented or is in the process of implementing as of the end of the term of this Agreement.

8. GENERAL PROVISIONS.

(a) Execution. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original. A signature transmitted via scanning and emailing or facsimile shall have the same effect as an original signature.

(b) Modification of Agreement. This Agreement may be modified only by a writing signed by MRP and the City.

(c) Entire Agreement. This Agreement together with any Nondisclosure and/or Common Interest Agreements entered into between the parties either prior or subsequent to the Effective Date constitute the entire understanding and agreement between the parties concerning this subject matter.

(d) Severability. If a court of competent jurisdiction finds or rules that any provision of this Agreement is invalid, void, or unenforceable, the provisions of the Agreement not so adjudged shall remain in full force and effect. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.

(e) Governing Law. This Agreement is governed by and shall be interpreted according to the laws of the State of California.

(f) Waiver of Breach. No waiver of breach of any term or provision of this Agreement shall be construed to be, or shall be, a waiver of any other breach of this Agreement.

(g) Arms-Length Transaction. This Agreement is a product of arms-length negotiations and each party has had an opportunity to receive independent legal advice from attorneys of its own choosing. Thus, neither party can claim that any ambiguities in any term of this Agreement should be construed against any other party.

(h) No Third Party Beneficiaries. This Agreement will not confer any rights or remedies upon any person other than the parties hereto and their permitted successors and permitted assigns.

9. NOTICES. All notices under this Agreement shall be in writing and shall be transmitted by personal delivery or reputable overnight courier service such as FedEx to the parties at the following addresses:

MRP:

The City:

Mortgage Resolution Partners, LLC
33 Pier South Embarcadero, Suite 201
San Francisco, CA 94111
Attn: CEO

Such notice shall be deemed given upon personal delivery to the appropriate address or on the next business day if sent by overnight courier service.

WHEREFORE, the parties indicate by their signatures below their entry into this legally-binding Agreement.

The City

(signature) (date)

Name (printed): _____

Mailing address: _____

Telephone no.: _____

E-mail address: _____

Date of Signing: _____

Mortgage Resolution Partners LLC

Representative: _____
(signature) (date)

Name (printed): Graham Williams

Mailing address: 33 Pier South Embarcadero, Suite 201, San Francisco, CA 94111

Telephone no.: 415-795-2031

E-mail address: gwilliams@mortgageresolutionpartners.com

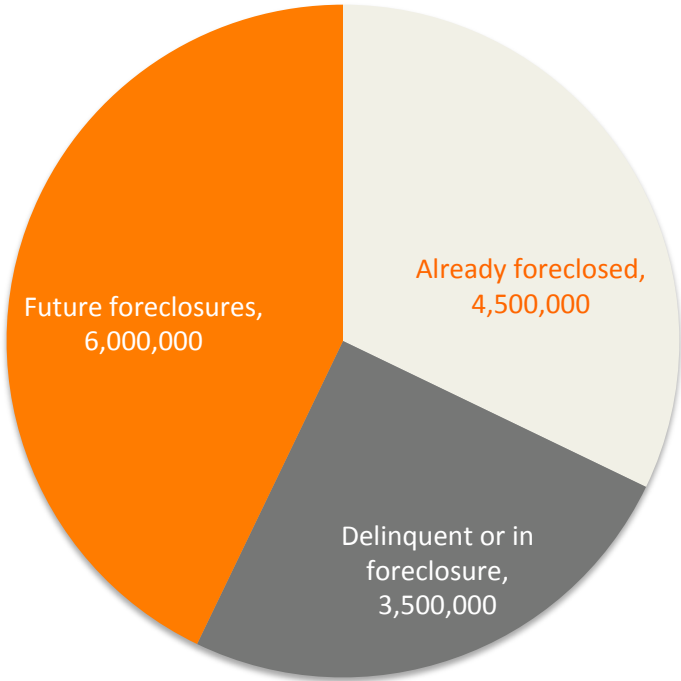
Date of Signing: _____

Mortgage Resolution **PARTNERS**

Saving Homes, Saving Cities
Solving the Mortgage Crisis Locally

The Mortgage Crisis – Far From Over

American families: 14 million past, present and future foreclosures



We are less than one third of the way through the foreclosure crisis

The Cost of Foreclosures*

Local Governments \$19,227

- Lost Property Taxes
- Unpaid Utility Bills
- Property Upkeep
- Policing
- Legal costs, building inspections
- Demand for social services

Borrowers \$10,300**

Lenders \$26,230***

Close Neighbors \$14,531****

“Housing remains the biggest impediment to economic recovery, yet Washington seems paralyzed.” -- Joseph Stiglitz and Mark Zandi

*HUD Economic Impact Analysis of the FHA Refinance Program for Borrowers in Negative Equity Position

**Household moving costs, legal fees and administrative charges

***Legal fees, court fees, broker fee, structural loss surrounding a foreclosure

****Negative impact on the property value of close neighbors

The Solution – Principal Reduction

“Most economists see **principal reductions** as central to preventing foreclosures.” *Alan Blinder, former Vice Chairman at the Federal Reserve (Oct. 20, 2011)*

“Government should **reduce mortgage principal** when it exceeds 110 percent of the home value.” *Martin S. Feldstein, former Chairman of the Council of Economic Advisers under President Reagan (Oct. 12, 2011)*

“Surely there is a strong case for experimentation with **principal reduction strategies at the local level.**” *Lawrence Summers, former Treasury Secretary under President Clinton and former Economic Adviser under President Obama (Oct. 24, 2011)*

Example: JP Morgan Chase and Bank of America **unilaterally reduce principal** on option ARM portfolio loans in order to reduce defaults and losses

Principal reduction will prevent future defaults and foreclosures

Problem → Mortgages Held In Private Label Securities

- 5 million loans placed in securities not guaranteed by U.S. Government
- Loans not conforming to Fannie Mae, Freddie Mac or FHA standards
- Loans not eligible for 15 federal programs created since the housing crash
- Loans are much more likely to be underwater. 45% vs. 35% for non PLS loans
- Riskier loans created in 2004 to 2007 helped create housing boom
- Have not been originated since 2007
- ***Securities prohibit principal reduction***

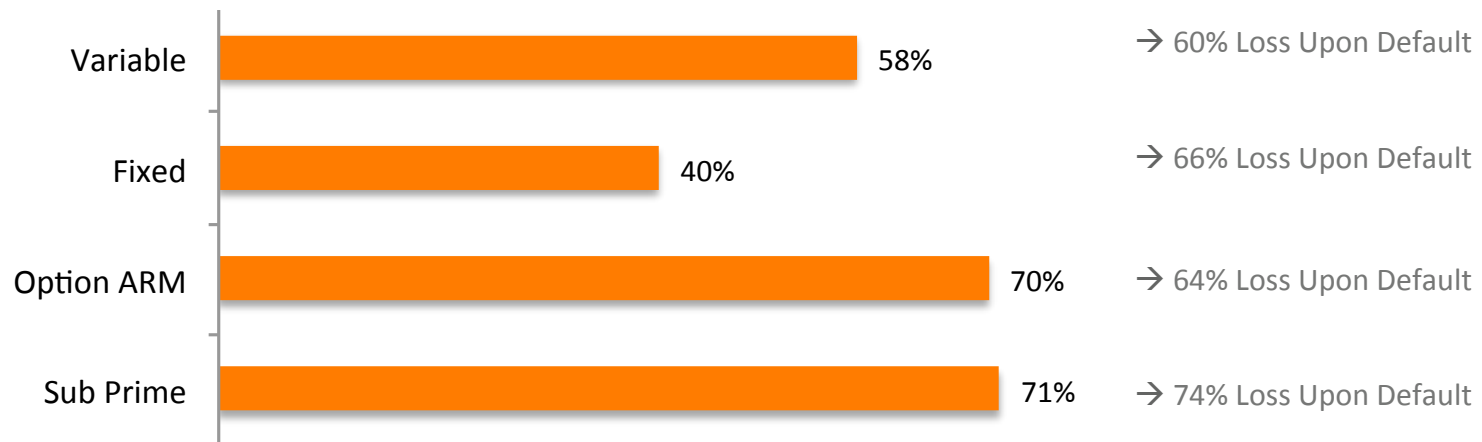
“If we are going to stabilize the housing market, we have to address” PLS loans.

Federal Housing Finance Agency 2009

Result → PLS Families Have Nowhere to Turn

Fannie Mae Expects 60% of PLS Mortgages to be Foreclosed – 3 Million Families

Fannie Mae Projected *Future* Foreclosure Rates And Losses For All PLS Families



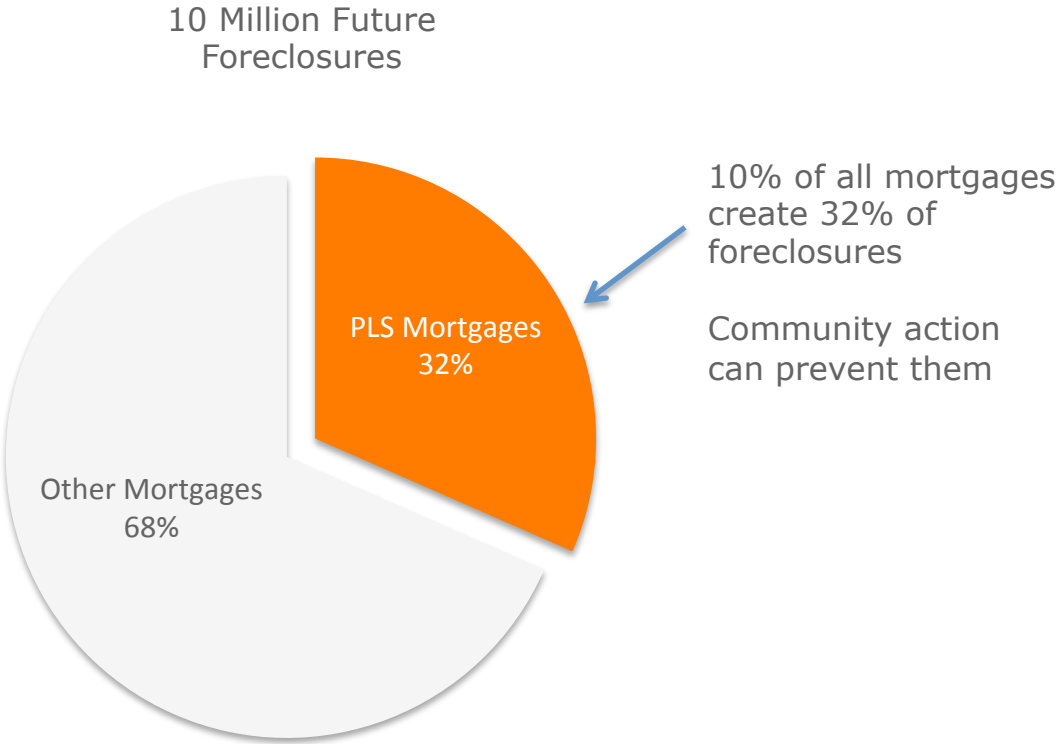
A Disproportionate Number of *These* Foreclosures Will Come From *Underwater* Loans

Default Rate For 2.3 Million Underwater PLS Loans Will be ***Much Higher***

Default rate sources: Fannie Mae 2Q 2012 Form 10-Q, page 111 projections for 2006 vintage PLS loans

Mortgage Resolution Partners LLC
Pier 33 South Embarcadero, Suite 201 | San Francisco, CA 94111 | 415.795.2032

PLS Mortgages Are Three Times More Likely To Be Foreclosed



PLS Mortgage Foreclosures Can Be Prevented

Method of PLS Principal Reduction → Communities Take Action

Securitization agreements and tax laws prohibit the sale of PLS mortgages **except when the mortgages are condemned**

Local government, using their constitutional power of eminent domain, can condemn PLS mortgages when public purpose exists by paying fair value

Then local governments can **reduce the principal balance** on the condemned PLS mortgages, thereby reducing underwater PLS in their community

Governments Can Use Eminent Domain To Avoid Unnecessary Foreclosures

Resolution Strategies – Underwater PLS

<p>1.5 mm Current underwater PLS Mortgages</p>	<p>Qualify for Immediate 95% refinance</p>	<ol style="list-style-type: none"> 1. Municipality reduces payoff amount on acquired mortgage to 97.5% of home’s value. 2. Family obtains a new mortgage 3. Family has equity in home and 100% of home appreciation 4. Family has significantly more disposable income
<p>0.8 mm Delinquent underwater PLS Mortgages</p>	<p>Qualify To Rent with Purchase Option</p>	<ol style="list-style-type: none"> 1. Family rents home with an option to buy 2. Portion of rent payments are credited to down payment
<p>Not Qualified to Rent</p>	<p>Not eligible for program</p>	

New Alternatives - Most Homeowners Can Now Avoid Foreclosure

Homeowner Benefit

This is an illustrative example for the level of benefits that participating families may realize. Communities benefit from greatly reduced probability of foreclosure.

	Original Loan	Today	After Program
Home Value	\$400,000	\$200,000	\$200,000
Mortgage Balance	\$320,000	300,000	\$190,000
Home Equity	\$80,000	(\$100,000)	\$10,000
Loan to Value Ratio (LTV)	80%	150%	95%
Monthly Payment	\$1,798	\$1,798	\$907

Assumes a 6%, 30 year, fully amortizing mortgage is refinanced by a 4%, 30 year, fully amortizing mortgage. Some loan programs may also require insurance, which may add \$175 per to the After Program monthly payment.

Probability of Default Drops from ~80% to ~7.5% (FHA actuarial assumption, 95%LTV)

Underwater PLS Mortgages Are Worth Less Than Homes

Bank of America Merrill Lynch has published its own pricing of always performing underwater PLS loans.

Bank of America Merrill Lynch Pricing		
PLS loan type	Loan value (as % of home)	Implied default rate
Alt-A	83%	60%
Option ARM	76%	70%
Subprime	77%	70%

Source: Chris Flanagan, Bank of America Merrill Lynch, *Securitization Weekly* (July 20, 2012) page 8 (LIBOR +700bps discount rate).

Industry recognizes loans are on average worth less than homes

Refinance Option: Follow the Money

Proceeds From Refinance Of Each Loan (If 95% of home value)	\$190,000
Fair Value Paid for Each Loan (If 80% of home value)	(\$160,000)
	<hr/>
Gain On Each Loan	\$30,000
Where does the \$30,000 Gain On Each Loan Go?	
Paid to Community For Each Loan	\$9,500 ←
Paid to Funder For Each Loan	\$20,500 ←
MRP Fee Paid By Funder	(\$4,500)
Eminent Domain Legal Expenses Paid By Funder	(\$2,000)
Cost of Homeowner Education Paid By Funder	(\$600)
Mortgage Servicing Costs During Holding Period Paid By Funder	(\$100)
Fees Paid to Investment Bankers Paid By Funder	(\$560)
	<hr/>
Funder Net Income Per Loan	\$13,540 (8%)

MRP is a Community Advisory Firm

MRP clients are state, county, and city governments that purchase underwater PLS mortgages and resolve them to the benefit of their communities. In order, MRP provides, under an advisory contract with the community, the following services:

- Identify and value PLS mortgages
- Educate the community
- Arrange acquisition financing
- Advise community in filing eminent domain motion
 - Demonstrate the public purpose
 - Determine fair market value of mortgages
- Arrange servicing of acquired mortgages
- Arrange resolution of acquired mortgages

**MRP Receives Fee of \$4,500 for Each Loan Purchased -
The Same Fee The Federal Government Pays Banks For a HAMP Restructure**

Foreclosures Reduce Property Tax Receipts

Under Proposition 13 when homes are sold in foreclosure, the sales price sets the base for their assessed valuation levels and property tax receipts.

Increases in valuations are then limited to a maximum of 2% per year.

Assumptions:

Property tax rate	1.25%
Proposition 13 Cap on Annual Increase In Assessed Value	2.0%
Annual Home Value CAAGR For Next Three Years	2.00%
Annual Home Value CAAGR Thereafter	6.00%
Highest Assessed Value For Current Owner	\$400,000
Assessed Value Today	\$200,000
Foreclosure Sales Price Discount	10%
Number of Homes Foreclosed Avoided	1,000

Estimated Increase in Total Property Taxes Collected	\$6,279,571
Estimated Increase in Average Property Taxes Collected	\$6,280

Year	No Foreclosure			Foreclosure in Year 1			Differential Impact
	Prop 13 Limit	Assessed Value	1000 Homes	Prop 13 Limit	Assessed Value	1000 Homes	
0	\$400,000	\$200,000	\$200,000,000	\$400,000	\$200,000	\$200,000,000	\$0
1	\$408,000	\$204,000	\$204,000,000	\$183,600	\$183,600	\$183,600,000	\$20,400,000
2	\$416,160	\$208,080	\$208,080,000	\$187,272	\$187,272	\$187,272,000	\$20,808,000
3	\$424,483	\$212,242	\$212,241,600	\$191,017	\$191,017	\$191,017,440	\$21,224,160
4	\$432,973	\$224,976	\$224,976,096	\$194,838	\$194,838	\$194,837,789	\$30,138,307
5	\$441,632	\$238,475	\$238,474,662	\$198,735	\$198,735	\$198,734,545	\$39,740,117
6	\$450,465	\$252,783	\$252,783,141	\$202,709	\$202,709	\$202,709,235	\$50,073,906
7	\$459,474	\$267,950	\$267,950,130	\$206,763	\$206,763	\$206,763,420	\$61,186,710
8	\$468,664	\$284,027	\$284,027,138	\$210,899	\$210,899	\$210,898,689	\$73,128,449
9	\$478,037	\$301,069	\$301,068,766	\$215,117	\$215,117	\$215,116,662	\$85,952,104
10	\$487,598	\$319,133	\$319,132,892	\$219,419	\$219,419	\$219,418,996	\$99,713,896
Total			\$2,712,734,425			\$2,210,368,776	\$502,365,649

Next Steps

1. The City retains MRP at no cost per the terms of the MRP Advisory Agreement as modified by the City and agreed to by MRP.
2. The City is in control, at each step in the process the City has the option to terminate the Agreement and must approve the next step before it is taken.
3. The City does not pay any costs of the program.
4. Nothing in the Agreement obligates the City to file an eminent domain motion.

Who Supports the Program?

Broad community-focused support for the program

- AFSCME
- Americans for Financial Reform
- Center for Popular Democracy
- National Community Reinvestment Coalition
- Federal Banking Regulators

Representing

- 1.6 million state and local government employees
- 600 local housing focused organizations
- 250 national, state and local groups working on financial industry reform

Program Addresses Concerns Of Local Homeowners And Community-focused Organizations