

# **EXHIBIT 13A**

## Compensation Framework for Real Property Sales

### 1. Eligibility Requirements

- A. Real Property Sales Compensation Zone shall be defined as Residential Parcels identified in the Real Property Sales Compensation Zone Map as attached as Appendix A.
- B. Residential Parcels shall be defined as those parcels within the Real Property Sales Compensation Zone identified in the Real Property Sales Compensation Zone Map for which the county where the parcel is located has designated the parcel as a residential classification.
- C. There are two instances in which parcels not identified as Residential Parcels on the Real Property Sales Compensation Zone Map shall nonetheless be treated as Residential Parcels within the Real Property Sales Compensation Zone:
  - a. If an Eligible Claimant can document the following: (i) actual presence of a parcel for which there are no parcel lines on the Real Property Sales Compensation Zone Map, (ii) the parcel is located within the geography identified in the Real Property Sales Compensation Zone Map, and (iii) the county where the parcel is located has designated the parcel as a residential classification, then the parcel shall be treated as a Residential Parcel within the Real Property Sales Compensation Zone. Documentation must consist of an official document provided by the county assessor or a professional survey of the parcel.
  - b. If an Eligible Claimant can document the following: (i) the parcel is misclassified as non-residential parcel on the Real Property Sales Compensation Zone Map, and (ii) the parcel is located within the geography identified in the Real Property Sales Compensation Zone Map, then the parcel shall be treated as a Residential Parcel within the Real Property Sales Compensation Zone. Documentation must consist of an official document provided by the county assessor such as a 2010 county tax notice classifying the parcel as residential.
- D. Eligible Claimants shall be comprised of sellers of Residential Parcels within the Real Property Sales Compensation Zone who are included in the Economic Injury and Property Claim Settlement Class Definition<sup>1</sup> and who satisfy the following criteria:
  - a. owned a Residential Parcel in the Real Property Sales Compensation Zone on April 20, 2010; and

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<sup>1</sup> Note: The most current definitions of the Economic Injury and Property Claim Settlement Class Definition are included in the draft Economic Injury and Property Claim Settlement Agreement forwarded by BP to the PSC on December 4, 2011 and in the class definition document bates numbered 005125 to 5128 and dated December 20, 2011.

- b. executed a sales contract for the sale<sup>2</sup> of that Residential Parcel that meets the following criteria:
  - i. The sales contract was executed on or after April 21, 2010 and the sale closed during the time period April 21, 2010 to December 31, 2010. OR
  - ii. The sales contract was executed before April 21, 2010, but the contract price was reduced as a result of the Deepwater Horizon Spill (DH Spill). Additionally, the sale must have closed during the time period April 21, 2010 to December 31, 2010.
- E. Pursuant to sub-sections (A) to (C) above, the following parcel types are not among the parcels for which a claimant is eligible to be compensated in this MDL class settlement:
  - a. Residential Parcels within the Real Property Sales Compensation Zone sold before April 21, 2010 or after December 31, 2010;
  - b. Residential Parcels within the Real Property Sales Compensation Zone sold during the time period April 21, 2010 to December 31, 2010, but
    - i. The sales contract was executed before April 21, 2010 and the contract price was not reduced prior to the closing. OR
    - ii. The sales contract was executed before April 21, 2010 and the contract price was reduced but not as a result of the DH Spill
  - c. Residential Parcels located outside of the Real Property Sales Compensation Zone;
  - d. Non-Residential Parcels located within or outside the Real Property Sales Compensation Zone.

A claim that may exist, if any, with respect to parcels of the type identified in sub-sections (a) to (c) above, is not subject to this Settlement Agreement or barred by the Order approving this Settlement Agreement.

## **2. Compensation for Real Property Sales**

- A. An Eligible Claimant must submit a claim form and supporting documentation. The Claim Form is attached as Appendix B.
- B. A claimant who satisfies the Eligibility Requirements in Section 1 above shall be entitled to receive the Real Property Sales Compensation Amount for the Residential Parcel. The Real Property Sales Compensation Amount shall be calculated as follows:

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<sup>2</sup> Sales shall not include transfers from borrowers to lenders that take place as part of the foreclosure process, such as deeds in lieu of foreclosure, foreclosure deeds, Sheriff's deeds.

- a. The sale price of the Residential Parcel shall be multiplied by the Real Property Compensation Percentage of 12.5%. A detailed description for calculation of the Real Property Sales Compensation Percentage is contained in Appendix C.
- b. Any prior compensation to the claimant from the GCCF or BP for a claim related to the sale of the Residential Parcel shall be deducted.
- c. The Real Property Sales Compensation Amount shall be allocated among Eligible Claimants according to their ownership interest.

**Example**

An Eligible Claimant who submits a claim form and supporting documentation for a sale of a Residential Parcel with a sale price of \$200,000, with no former co-owners, and no prior GCCF or BP payment for the same property damage would receive compensation of \$25,000.

**Residential Parcel Sale Price x Real Property Sales Compensation Percentage =  
Real Property Compensation Amount**

$$\text{\$200,000} \times 12.5\% = \text{\$25,000}$$

**Appendix A**  
**Real Property Sales Compensation Map**

The Real Property Sales Compensation Zone Map is found in a separate document.

**Appendix B**  
**Real Property Sales Claim Form**

1. Did you own a Residential Parcel within the Real Property Sales Compensation Zone identified on the Real Property Sales Compensation Zone Map on April 20, 2010?

\_\_\_\_\_ Yes                      \_\_\_ No

2. Did you execute a sales contract for the sale of that Residential Parcel?

\_\_\_\_\_ Yes                      \_\_\_ No

3. Did you close on that sale of that Residential Parcel on or before December 31, 2010?

\_\_\_\_\_ Yes                      \_\_\_ No

*If you answered yes to all of the questions above, please (A) answer questions 4 through 10 below and (B) provide copies of the documents required below.*

*If you answered no to any of the questions above, you are not eligible for compensation under the Real Property Sales Compensation Framework portion of the Settlement Agreement and you should not complete or submit this form.*

4. What date did you execute your sales contract? \_\_\_\_\_

5. If you executed your sales contract before April 21, 2010, was the contract price reduced at some point before closing?

\_\_\_\_\_ Yes                      \_\_\_ No

6. If the contract price was reduced at some point before closing, why was the price reduced?

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7. What is the street address of the Residential Parcel? \_\_\_\_\_

8. In what county is the Residential Parcel located? \_\_\_\_\_

9. What is the parcel identification number for the Residential Parcel? \_\_\_\_\_

10. What is the tax identification assessment number for the Residential Parcel? \_\_\_\_\_

### **Document Requirements**

*If you answered yes to questions 1 through 3 above, please provide copies of the following documents.*

1. Official copy of the deed for the Residential Parcel sale that took place during the time period April 21, 2010 to December 31, 2010.
2. Copy of the signed sales contract(s) for the sale that took place during the time period April 21, 2010 to December 31, 2010.
  - If you answered yes to question number 5 above, provide a copy of both the sales contract executed before April 21, 2010 and a copy of the sales contract executed on or after April 21, 2010.
3. If you answered yes to question number 5 above, provide the supporting documentation to demonstrate why the contract price was reduced. For example, provide the letter from the purchaser or the purchaser's real estate attorney requesting the reduction. If you have no documentation, provide contact information for the purchaser.
4. Copy of the closing statement for the sale that took place during the time period April 21, 2010 to December 31, 2010.



## Appendix C

### Detailed Description

- a) Real Property Sales Compensation Zone consists of Residential Parcels identified in Real Property Compensation Map.
- b) Real Property Sales Comparison Zone consists of improved residential parcels in the counties in Real Property Compensation Map not in the Real Property Sales Compensation Zone.
- c) Sale Price is the actual sale price of the parcel.
- d) Benchmark Price is an estimate of the value of the parcel at the time of sale based on the 2010 county appraised value. The formula is for the Benchmark Price is:

$$\begin{array}{r}
 \text{2010 County-Appraised Value} \\
 \times \text{ Sales-Appraised Value Ratio (expressing the value as of 1/1/10)} \\
 \times \text{ Change in HPI}^3 \text{ for MSA}^4 \text{ of parcel (expressing the value as of 3/31/10)} \\
 \times \text{ Change in HPI for non-Gulf MSA (expressing the value at the date of sale)} \\
 \hline
 = \text{ Benchmark Price}
 \end{array}$$

- e) Sales to Appraised Value Ratio is calculated as follows. For each arms-length sale of improved residential parcels in the region during 2009 the Sale Price is divided by the 2010 County Appraised value.<sup>5</sup> The Sales to Appraised Value Ratio is the average of these values. A separate Sales-Appraised Value Ratio is calculated for condominiums and single-family homes.

The formula for Sales to Appraised Value Ratio is as follows:

$$\text{Sales – Appraised Value Ratio} = \frac{\sum_{i=1}^n \frac{\text{Adjusted Sales Price}_i}{\text{2010 County Appraised Value}_i}}{n}$$

Where  $i$  represents each individual parcel in the region and  $n$  represents the total number of parcels in the region.

- f) Change in HPI for MSA of parcel is the percentage change from January 1, 2010 to March 31, 2010 in the HPI for that MSA. See Table 1, Pre-Spill column.

<sup>3</sup> House Price Index (HPI) is the index of price changes in each MSA, as compiled by the Federal Housing Finance Agency.

<sup>4</sup> Metropolitan Statistical Areas (MSAs) are geographical zones defined by the U.S. Office of Management and Budget. If a sale occurred in a county without an MSA, the most similar surrounding MSA was used. Non-Gulf MSAs are surrounding MSAs that are not on the Gulf coast.

<sup>5</sup> Before a Sales to Appraised Value Ratio is determined, (1) 2009 Sales Prices are adjusted to account for the change in real estate values between the sale of those parcels and January 1, 2010 (See Table 2); and (2) the top and bottom 2.5% of parcels are excluded — based on the ratio of 2009 sales prices to 2010 assessed values.

- g) Change in HPI for the Non-Gulf MSA is the percentage change in the HPI for the Non-Gulf MSA that is most similar to the parcel’s MSA between March 31, 2010 and the quarter of the date of sale for the parcel. See Table 1, Post-Spill column.
- h) Real Property Sales Compensation Zone Percentage is the weighted average percentage difference between Sales Prices and Benchmark Prices for all Real Property Sales Compensation Zone parcels sold in arms-length transactions during April 21, 2010 through December 31, 2010.<sup>6</sup>

The formula for Real Property Sales Compensation Zone Percentage is as follows:

$$\text{Real Property Sales Compensation Zone Percentage} = \frac{\sum_{i=1}^n \text{Sales Price Real Property Sales Compensation Zone}_i - \text{Benchmark Price Real Property Sales Compensation Zone}_i}{\sum_{i=1}^n \text{Sales Price Real Property Sales Compensation Zone}_i}$$

Where *i* represents each individual parcel and *n* represents the total number of parcels.

- i) Real Property Sales Comparison Zone Percentage is the weighted average percentage difference between sales prices and Benchmark Prices for all improved residential parcels sold in arms-length transactions in the region except Real Property Sales Compensation Zone parcels during April 21, 2010 through December 31, 2010.

The formula for Real Property Sales Comparison Zone Percentage is as follows:

$$\text{Real Property Sales Comparison Zone Percentage} = \frac{\sum_{i=1}^n \text{Sales Price Real Property Sales Comparison Zone}_i - \text{Benchmark Price Real Property Sales Comparison Zone}_i}{\sum_{i=1}^n \text{Sales Price Real Property Sales Comparison Zone}_i}$$

Where *i* represents each individual parcel and *n* represents the total number of parcels.

- j) Real Property Sales Compensation Amount shall be defined as the Real Property Sales Compensation Zone Percentage subtracted from the Real Property Sales Comparison Zone Percentage plus the Real Property Sales Compensation Zone Adjustment Percentage.

The formula for the Real Property Sales Compensation Amount is as follows:

$$\begin{array}{r} \text{Real Property Sales Comparison Zone Percentage} \\ - \text{Real Property Sales Compensation Zone Percentage} \\ + \text{Real Property Sales Compensation Zone Adjustment Percentage} \\ \hline = \text{Real Property Sales Compensation Percentage} \end{array}$$

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<sup>6</sup> When calculating average differences between Sales Prices and Benchmark Prices, the top and bottom 2.5% of parcels are excluded — based on the ratio of 2010 sales prices to 2010 assessed values.

