

OIL, GAS AND MINERAL RIGHTS/INTERESTS ADDENDUM TO AGREEMENT OF SALE

OGM

This form recommended and approved for, but not restricted to use by, the members of the Pennsylvania Association of Realtors® (PAR).

1 **PROPERTY** 345 Cedar Boulevard, Mount Lebanon, PA 15228

2 **SELLER** Thomas L. and Sanora L. Orr

3 **BUYER** _____

4 **1. TITLE**

5 Notwithstanding the default language of the Agreement of Sale regarding title to the Property, Seller will not warrant title to any oil,
6 gas and/or mineral rights/interests regardless of whether they are conveyed, excepted or reserved. Buyer is advised to conduct an
7 investigation as to the history of the ownership rights/interests and status of the oil, gas and/or mineral rights/interests pertaining to
8 the Property.

9 **2. EXCEPTION (IF APPLICABLE)**

10 (A) Buyer is aware that the following oil, gas and/or mineral rights/interests have been previously leased, assigned, sold or otherwise
11 conveyed by Seller or a previous owner of the Property (exceptions) and cannot be transferred to Buyer: _____
12 _____
13 _____

14
15 (B) Buyer acknowledges that Seller may not own 100% of all oil, gas and/or mineral rights/interests to the Property and agrees that,
16 notwithstanding the default language of the Agreement of Sale regarding title to the Property, Buyer will accept only the
17 rights/interests and title that Seller is able to convey, free and clear of all other liens, encumbrances, and easements, subject to the
18 exceptions referenced above.

19 **3. TITLE SEARCH CONTINGENCY**

20 (A) Buyer understands and acknowledges that the warranty of title in the Agreement of Sale does not pertain to the oil, gas and/or min-
21 eral rights/interests that have been excepted. Seller will not defend title to these rights/interests and does not covenant that Buyer
22 will have quiet enjoyment of these rights/interests.

23 (B) Buyer may elect, at Buyer's expense, to conduct an investigation of the history of the ownership rights/interests and status of the
24 oil, gas and/or mineral rights/interests to the Property to be performed by a properly licensed or otherwise qualified professional.

25 **WAIVED.** Buyer understands and acknowledges that Seller may not own all oil, gas and/or mineral rights/interests to the
26 Property and that Buyer has the option to make this Agreement contingent on receiving a certain interest in the oil, gas and/or
27 mineral rights/interests. BUYER WAIVES THIS OPTION and agrees to the RELEASE in the Agreement of Sale.

28 **ELECTED.** Investigation Period: ____ days (60 if not specified) from the Execution Date of the Agreement of Sale.

29 1. **Within the Investigation Period,** Buyer will have completed an investigation of the ownership rights/interests and status of
30 the oil, gas and/or mineral rights/interests to the Property. Buyer will pay for any and all costs associated with the title
31 search.

32 2. If the result of the investigation demonstrates terms that are unsatisfactory to Buyer, Buyer will, **within the stated**
33 **Investigation Period:**

34 a. **Accept the Property** and agree to the the RELEASE in the Agreement of Sale, OR

35 b. **Terminate the Agreement of Sale** by written notice to Seller, with all deposit monies returned to Buyer according to the
36 terms contained in the Agreement of Sale, OR

37 c. Enter into a mutually acceptable written agreement with Seller as acceptable to the lender(s), if any.

38 **If Buyer and Seller do not reach a written agreement before the conclusion of the Investigation Period, and Buyer does**
39 **not terminate the Agreement of Sale by written notice to Seller within that time, Buyer will accept the Property and**
40 **agree to the terms of the RELEASE in the Agreement of Sale.**

41 **4. RESERVATION OF RIGHTS/INTERESTS (IF APPLICABLE)**

42 (A) Buyer acknowledges that Seller is reserving and retaining ownership of the following oil, gas and/or mineral rights/interests and
43 royalties and is not transferring them to Buyer: The rights/interests being reserved and retained by Seller include the right to receive
44 royalties regarding the same, unless otherwise stated below. This reservation will be executed in its entirety at settlement.

- 45 Oil _____
- 46 Gas _____
- 47 Minerals _____
- 48 Coal _____
- 49 Other _____

50 (B) The warranty of title in the Agreement of Sale does not pertain to the oil, gas and/or mineral rights/interests and royalties that have
51 been reserved. Seller will not defend title to these rights/interests or royalties and does not covenant that Buyer will have quiet
52 enjoyment of these rights/interests.

53 **Buyer Initials:**

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Seller Initials:

TL	SLO
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- 54 (C) Seller's reservation, if any, does not apply to domestic free gas and surface damage rights/interests, which are set forth below.
- 55 (D) If Seller is reserving an interest in any non-excepted oil, gas and/or mineral rights/interests and royalties, within _____ days of
- 56 the Settlement Date (30 if not specified) Seller will deliver to Buyer the proposed reservation language that will appear in the deed
- 57 that conveys title to the Property to Buyer for Buyer's review. If this reservation language does not reflect the terms in Paragraph
- 58 4(A) above, or if Seller fails to provide the proposed reservation language within the time provided, Seller may be in default of
- 59 the Agreement of Sale.
- 60 (E) Within _____ days (15 if not specified) of receiving Seller's proposed reservation language, **or if no reservation language is**
- 61 **provided within the stated time**, Buyer will notify Seller of Buyer's choice to:
- 62 1. Agree to Seller's proposed reservation language, accept the Property, and agree to the RELEASE in the Agreement of Sale,
- 63 OR
- 64 2. Terminate the Agreement of Sale by written notice to Seller with all deposit monies returned to Buyer according to the terms
- 65 of the Agreement of Sale, OR
- 66 3. Enter into a mutually acceptable written agreement with Seller.
- 67 **If Buyer and Seller do not reach a written agreement during the time stated in this Paragraph, and Buyer fails to respond**
- 68 **within the time provided for Buyer's response in Paragraph 4(E) above, or fails to terminate the Agreement of Sale by written notice**
- 69 **to Seller within that time, Buyer will accept the Property and agree to the RELEASE in the Agreement of Sale.**
- 70 (F) If Seller fails to deliver the proposed reservation language as specified in Paragraph 4(D), and Buyer exercises the right to terminate
- 71 this Agreement as a result, all deposit monies shall be returned to Buyer according to the terms of the Agreement of Sale. Upon ter-
- 72 mination, Seller will reimburse Buyer for any investigative costs incurred by Buyer to verify the title, status and ownership of the oil,
- 73 gas and/or mineral rights/interests underlying the Property.

74 **5. DOMESTIC FREE GAS**

75 Seller will convey to Buyer 100% of the domestic free gas rights unless otherwise stated here _____

76 _____

77 **6. SURFACE DAMAGES**

78 In the event Seller is reserving and retaining oil, gas and/or mineral rights/interests as set forth in Paragraph 4(A), then Seller further

79 agrees to convey, assign and/or transfer to Buyer: i) the exclusive right to receive compensation for any and all damages, which include,

80 but are not limited to, pipeline rights-of-way, well pad sites, compressor sites, and standing marketable timber, and ii) any and all sur-

81 face consent or surface remediation rights set forth in the applicable oil, gas, and/or mineral rights lease, pipeline right-of-way agree-

82 ment or other surface use agreement pertaining to the Property. A copy of the applicable language of the lease is attached to this

83 Addendum or will be provided to Buyer within _____ days (10 if not specified).

84 **7. DOCUMENTATION**

- 85 Seller has no documentation pertaining to any written leases, addenda, surface use agreements, pipeline easements, or other doc-
- 86 uments relating to prior conveyances, assignments, or transfers of the oil, gas and/or mineral rights/interests to the Property.
- 87 Seller has attached to this Addendum copies of all written oil, gas and/or mineral rights leases, addenda, surface use agreements,
- 88 pipeline easements, and other documents (e.g., royalty agreements) within Seller's possession having to do with prior con-
- 89 veyances, assignments, or transfers of these rights/interests, as follows: _____
- 90 _____
- 91 _____
- 92 _____

93 **8.** Seller/Seller's agent Buyer/Buyer's agent will be responsible for promptly notifying any and all lessees in writing of the

94 assignment of any oil, gas and/or mineral rights/interests to Buyer. This paragraph will survive settlement.

95 **9. ADDITIONAL RESOURCES**

96 For additional information regarding oil, gas and mineral ownership, leasing and transfer in the Commonwealth of Pennsylvania,

97 both parties are encouraged to contact the Pennsylvania Department of Environmental Protection's Bureau of Oil and Gas

98 Management, the Pennsylvania Department of Conservation and Natural Resources, or the Penn State Institute for Natural Gas

99 Research.

100 **Prior to signing this Addendum, both parties are advised to contact legal counsel experienced in oil, gas and/or mineral rights/inter-**

101 **ests if either has any questions about the transfer of these rights. Broker(s) and/or Licensee(s) will not provide legal advice con-**

102 **cerning the ownership status of the oil, gas and/or mineral rights/interests of the Property. Buyer and Seller have been given the**

103 **opportunity to negotiate the terms of this Agreement, including the reservation of oil, gas and/or mineral rights/interests.**

104 **All other terms and conditions of the Agreement of Sale remain unchanged and in full force and effect.**

105 BUYER		DATE	_____
106 BUYER		DATE	_____
107 BUYER		DATE	_____
108 SELLER	<i>[Signature]</i>	DATE	Nov. 27, 2019
109 SELLER	<i>[Signature]</i>	DATE	Nov. 27, 2019