

ADDENDUM TO PURCHASE & SALE AGREEMENT REGARDING OIL, GAS, MINERAL AND TIMBER RIGHTS

The owner of real property has a variety of rights that can convey with property when the property is sold to another. These rights include surface rights (the rights to build or plant crops upon the ground) and certain subsurface rights (the right to extract materials from below the ground). Among the various subsurface rights, are the rights to explore for, and remove, oil, gas and various minerals such as coal, sand and gravel.

Surface and subsurface rights are often transferred together; however these rights can transfer separately. Despite the best intention of Sellers, property owners are often not aware of the extent of the oil, gas and mineral rights they may or may not own. Determining who owns the various rights to oil, gas and minerals can be complex and should only be done by an attorney and/or title company with expertise in this area. Buyers of real property are strongly encouraged to have their rights to oil, gas and minerals examined before moving forward with a purchase and sale agreement.

Property Address _____

Seller _____
(Print/Type)

Buyer _____
(Print/Type)

Oil, Gas, Mineral and Timber Rights to Property:

☐ Some oil, gas, mineral and/or timber rights have been leased by the Seller or previous owner. Seller has attached copies of all written oil, gas, mineral and/or timber rights leases and other documents (e.g. leases, royalty agreements) within the Seller's possession to this addendum. Buyer shall have _____ days from the execution date of the purchase and sale contract to examine the extent and manner by which these rights are affected. If the examination and assessment performed by, or on behalf of, the Buyer reveals Seller's inability to convey said lease to the Buyer, along with full title to oil, gas, mineral and timber rights to the Buyer, the Buyer may terminate this purchase and sale agreement. Upon termination, all deposit monies will be returned to the buyer.

_____ Seller Initial(s) _____ Buyer Initial(s)

Seller Reservation of Oil, Gas, Mineral and Timber Rights: (Initial all that apply.)

☐ Seller is reserving all rights to oil, gas, and/or mineral rights and will not convey these rights to the Buyer. Buyer agrees to accept seller's reservation of these rights.

_____ Seller Initial(s) _____ Buyer Initial(s)

☐ Seller is reserving certain oil, gas, and mineral rights and will convey these rights to the Buyer as follows:

_____. Buyer agrees to accept seller's above described reservation(s).

_____ Seller Initial(s) _____ Buyer Initial(s)

☐ Seller is reserving rights to timber as follows: _____

_____. Buyer agrees to accept seller's above described reservation.

_____ Seller Initial(s) _____ Buyer Initial(s)

☐ Seller and Buyer agree to the following: _____

_____. _____ Seller Initial(s) _____ Buyer Initial(s)

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

**This addendum, when executed, is contingent upon approval of BUYER'S and SELLER'S attorneys per
Item #25 of the Purchase & Sale Contract for Real Property, or
Item #21 of the Purchase & Sale Contract for Lots and Vacant Land.**

Seller: _____

Buyer: _____

Seller: _____

Buyer: _____

Dated: _____

Dated: _____