

## **Addendum to Agreement of Sale**

### **Formation of a Close Corporation**

1. It is recorded that the purchaser is acting for a close corporation to be formed. The purchaser accordingly:
  - 1.1 undertakes to effect the registration of a close corporation on the basis that section 53 of the close corporations act no. 69 of 1984 is fully complied with;
  - 1.2 undertakes to obtain the ratification or adoption of this agreement by the close corporation within 7 (seven) days after its corporation;
  - 1.3 undertakes to procure the necessary bank or financial institution guarantee for payment of the balance of the purchase price complying with the terms of clause \* within seven (7) days of the close corporation adopting or ratifying this agreement, should the institution which issued the guarantee ill; terms of clause \* require a new guarantee to be issued as a result of the adoption or ratification of this agreement by the close corporation;
  - 1.4 in the event of the adoption and ratification referred to above binds himself as surety and co-principal debtor with the close corporation for the due and faithful observance by the close corporation of all the terms, conditions and stipulations of this agreement;
  - 1.5 undertakes that in the event of the registration of the close corporation not being effected within 45 days of the date of signature of this agreement by the purchaser, or within such extended period as may be allowed in writing by the seller, or should the close corporation when registered fail to adopt and ratify the terms of this agreement within the period provided for herein, he, in his personal capacity will accept transfer of the property and take over the purchase of the property and pay the purchase price as if this agreement had been made by him in his personal capacity.

NB "Trust

Please note it is not possible for a property to be purchased by a trust which has not yet been registered, as any contract entered into by a trustee who has not been formally appointed by the Master of the High Court is void in terms of the Trust Property Control Act and cannot subsequently be ratified".