

FINANCIAL SERVICES BOARD

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ENQUIRIES:	Mr. Vusi Mahlangu	D. DIALLING NO.:	(012) 428 8004
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DATE:	28 September 2010	E-MAIL:	vusim@fsb.co.za

Fountainhead Property Trust Management Ltd
C/o Edward Nathan Sonnenbergs
PO Box 2293
Cape Town
8000

Attention: Claire Morrissey
Facsimile: (021) 410 2555

Dear Madam

SUPPLEMENTAL DEED NUMBER 3 – CHANGE IN BORROWING LIMITS IN RESPECT OF THE FOUNTAINHEAD PROPERTY TRUST SCHEME

We refer to the balloting report of KPMG Inc dated 23 September 2010. We return herewith two copies of the abovementioned supplemental deed duly approved in terms of section 98 of the Collective Investment Schemes Control Act, 2002. Kindly forward a copy of the supplemental deed to the trustee.

Yours faithfully

A handwritten signature in black ink, appearing to read 'DP Tshidi', with a horizontal line drawn above it.

REGISTRAR OF COLLECTIVE INVESTMENT SCHEMES

Board Members AM Sithole (Chairperson) H Wilton (Deputy Chairperson) Z Bassa JV Mogadime
J Cross Prof PJ Sutherland BM Hawksworth
Executive Officer DP Tshidi

SABS
150 9001

SUPPLEMENTAL DEED NUMBER 3

APPROVED in terms of CIS
Control Act, No. 45 of 2002
2010 -09- 28
JP 18467
Registrar of Collective Investment
Schemes

to the Deed in respect of

Fountainhead Property Trust Scheme

made and entered into by and between

Fountainhead Property Trust Management Limited

(Registration No. 1983/003324/06)

("the manager")

and

ABSA Bank Limited

(Registration No. 1986/004794/06)

("the trustee")

entered into for the purpose of increasing the borrowing limit of the Scheme in terms of the Deed executed under the Collective Investment Schemes Control Act, 45 of 2002 ("the Act").

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1. PREAMBLE

- 1.1. On 28 and 31 March 2003 respectively, the manager and the trustee signed and executed a deed ("**the Deed**") establishing the Fountainhead Property Trust Scheme ("**the Scheme**"), a collective investment scheme in property, in accordance with the provisions of the Act, which deed was approved by the Registrar of Collective Investment Schemes ("**the Registrar**") on 1 April 2003.
- 1.2. On 21 and 26 November 2003 respectively, the manager and the trustee signed and executed supplemental deed number 1 ("**First Supplemental Deed**"), in order to provide for the continuation of the portfolio then known as the Allan Gray Property Trust ("**the Portfolio**"), which First Supplemental Deed was approved by the Registrar on 30 January 2004.
- 1.3. On 9 and 11 May 2007 respectively, the manager and the trustee signed and executed supplemental deed number 2 ("**Second Supplemental Deed**"), in order to amend the Deed and the First Supplemental Deed to provide for the change of the name of the Scheme, the manager, the Portfolio, and the abbreviated name of the Portfolio to the Fountainhead Property Trust Scheme, Fountainhead Property Trust Management Limited, Fountainhead Property Trust and Fountainhead, respectively. The Second Supplemental Deed was approved by the Registrar on 14 May 2007.
- 1.4. The Registrar has, in terms of a letter addressed to the Association of Property Unit Trust Management Companies dated 16 July 2007, approved the increase in the limit of borrowing by a portfolio from the current limit of 30% (thirty per cent) of the value of the underlying assets comprising the portfolio to 60% (sixty per cent) of the value of the underlying assets comprising the portfolio, provided that managers who wish to avail themselves of this increased limit, shall submit a supplemental deed to the Registrar to amend the existing Deed.
- 1.5. The parties have agreed to enter into this supplemental deed in order to increase the limit of borrowing by the Scheme, from the current limit of 30% (thirty per cent) to 40% (forty per cent) of the value of the underlying assets comprising the relevant portfolio, and to provide for certain matters ancillary thereto.
- 1.6. Unless otherwise defined herein or unless the context otherwise indicates, terms defined in the Deed and the supplemental deeds in clauses 1.2 and 1.3 above (together "**the Supplemental Deeds**") shall bear the same meaning when used in this supplemental deed.
- 1.7. Save as set out herein, the terms, conditions and provisions of the Deed and the Supplemental Deeds are hereby confirmed.

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IT IS RECORDED THAT THE PARTIES HERETO AGREE TO THE FOLLOWING:

2. INCREASE TO THE BORROWING LIMIT

The following clauses of the Deed are hereby amended to reflect the increase in the limit of borrowing by a portfolio under the Scheme from the current limit of 30% (thirty per cent) of the value of the underlying assets comprising the portfolio to 40% (forty per cent) of the value of the underlying assets comprising the portfolio:

- 2.1. clause 21.1.7.2 of the Deed is amended by replacing both references to "30% (thirty per cent)" with "40% (forty per cent)" so that it reads as follows:

"21.1.7.2 *the maximum amount of the aggregate indebtedness of all fixed property companies, alternatively, the aggregate indebtedness incurred in connection with immovable properties included directly in the portfolio in respect of loans contracted in accordance with the provisions of this clause 21 shall not at any time exceed an amount equal to 40% (forty per cent) of the value of the underlying assets comprising the portfolio, determined on the last published valuation for such portfolio in the most recent audited financial statements of the portfolio adjusted for any subsequent changes in the value of such asset portfolio in accordance with generally accepted accounting principles and taking into account the value of any property to be acquired utilising a loan. However, in respect of any additional portfolio established in terms of the scheme, the amount of such borrowings shall be restricted to 40% (forty per cent) of the aggregate value of the underlying assets comprising such portfolio as at the date of approval thereof by the Registrar and confirmed by the trustee until the first published valuation of the underlying assets comprising such portfolio in the audited financial statements of such portfolio, adjusted for any subsequent changes in the value of such assets in accordance with generally accepted accounting principles and taking into account the value of any property to be acquired utilising the loan;*"

- 2.2. clause 21.2.1.3 of the Deed is amended by replacing the reference to "30% (thirty per cent)" with "40% (forty per cent)" so that it reads as follows:

"21.2.1.3 *the amount by which the aggregate indebtedness in clause 21.1.7.2 would exceed the 40% (forty per cent) maximum referred to in that clause if such immovable property were not to be taken into account in determining the aggregate value of the underlying assets.*"

Handwritten signatures and initials, including a large stylized signature and several smaller initials (e.g., 'H', 'A', 'AK', 'AKA').

Signature: [Signature]
ABSA BANK LIMITED

Name: Russel BLANE Marlere van Aswegen

Date: 28/09/10

Place: NEWTOWN, JHB

Witness: [Signature]

Witness: [Signature]

[Handwritten notes and signatures]