



Brookfield  
Secured Bonds  
Series B  
Prospectus

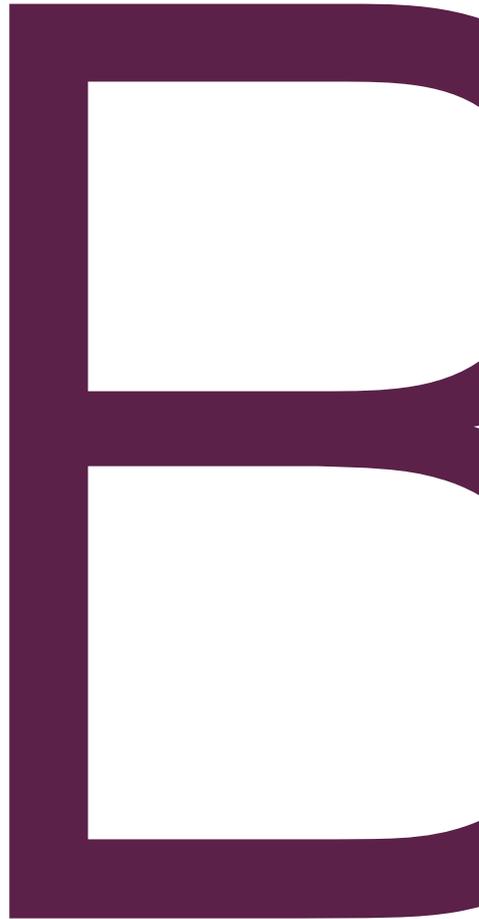
**ISSUER:**  
**Brookfield Secured Bonds Series B  
Issuer Limited**  
**(ABN 44 139 569 529)**

Brookfield Secured Bonds Series B are mortgage debentures for the purposes of section 283BH of the *Corporations Act*

**Arrangers, Joint Lead Managers  
and Joint Bookrunners**

**Westpac**  
InstitutionalBank

  
EVANS & PARTNERS



**Southern Cross West**

**Brookfield**

# Important notices

## About this Prospectus

This Prospectus relates to the offer by Brookfield Secured Bonds Series B Issuer Limited (ABN 44 139 569 529) (**Issuer**) of Brookfield Secured Bonds Series B (**BSB-sB**). BSB-sB are mortgage debentures for the purposes of section 283BH of the *Corporations Act* which are secured by the Security, including a first ranking mortgage over the Property Owner's 50% interest in the Property.

The liability of the Issuer and the Guarantor Security Providers in respect of BSB-sB is limited recourse. This means that all claims against the Issuer or the Guarantor Security Providers in respect of BSB-sB can only be satisfied out of the Secured Property the subject of the Security and are limited in recourse to distributions from that Secured Property from time to time. If sufficient funds are not realised from the Secured Property to discharge in full the obligations of the Issuer and the Guarantor Security Providers in respect of BSB-sB, no further claims may be made by the Holders or the Trustee against the Issuer or the Guarantor Security Providers in respect of the shortfall in the amount owing to the Holders in respect of BSB-sB.

Each BSB-sB has an issue price of \$100.

This Prospectus is dated 12 October 2009 and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date. It has also been, or will be, lodged with the New Zealand Companies Office (**NZCO**) on that date. ASIC, ASX and NZCO take no responsibility for the contents of this Prospectus nor for the merits of the investment to which this Prospectus relates. This Prospectus expires on the date which is 13 months after the date of the Prospectus and no BSB-sB will be issued on the basis of this Prospectus after that date.

This Prospectus is an important document and you should read it in full before deciding whether to invest in BSB-sB and completing and lodging an Application Form.

**This Prospectus does not provide financial product or investment advice – you should seek your own professional investment advice.**

This Prospectus does not provide investment advice. The Offer, and the information in this Prospectus, do not take into account your investment objectives, financial situation and particular needs (including financial and tax issues) as an investor.

In particular, in considering whether to apply for BSB-sB, it is important that you:

- consider the risk factors (see Section 6) that could affect BSB-sB or the financial performance and position of the Issuer and the Guarantor Security Providers as well as other information in this Prospectus in light of your particular investment objectives, financial situation and particular needs (including financial and tax issues); and
- seek professional investment advice from your financial or other professional advisers before deciding whether to apply for BSB-sB.

This Prospectus is only relevant for investors or potential investors in BSB-sB and should not be used for any other purpose.

## Brookfield Secured Bonds Series B are not liabilities of the Brookfield Group

BSB-sB are not liabilities of the Brookfield Group (other than the Issuer and the Guarantor Security Providers).

BSB-sB are issued by the Issuer and are guaranteed on a limited recourse basis by the Guarantor Security Providers in accordance with the Transaction Documents. Holders have no direct right to claim against the Issuer or the Guarantor Security Providers except as provided in the Transaction Documents (see Section 8.3.7). There are risks associated with investing in BSB-sB (see Section 6).

## Exposure Period

The *Corporations Act* prohibits the Issuer from processing Applications for BSB-sB in the seven day period after the date on which the Prospectus was lodged with ASIC. This period is referred to as the Exposure Period and ASIC may extend this period by up to a further seven days (that is, up to a total of 14 days).

The purpose of the Exposure Period is to enable the Prospectus to be examined by market participants before the raising of funds. Applications received during the Exposure Period will not be processed until after the expiry of the Exposure Period. No preference will be conferred on Applications received during the Exposure Period.

No offer of BSB-sB is made to the public in New Zealand until after the expiry of the Exposure Period.

## How to obtain a Prospectus and Application Form

This Prospectus will be available electronically during the Exposure Period (without an Application Form to Australian residents only) at [www.brookfieldsecuredbonds.com](http://www.brookfieldsecuredbonds.com). Application Forms will not be made available until after the Exposure Period has expired. The Prospectus with an Application Form will be available during the Offer Period (for Australian and New Zealand residents only) at [www.brookfieldsecuredbonds.com](http://www.brookfieldsecuredbonds.com). If you access an electronic copy of this Prospectus, then you should ensure that you download and read the entire Prospectus – please refer to "Electronic access to the Prospectus" below.

You can also register to receive a printed copy of the Prospectus and Application Form by calling the BSB-sB Information Line on 1800 766 011 (within Australia) or

+61 2 9290 9600 (within New Zealand) (Monday to Friday – 8.30am to 5.30pm AEDT).

The *Corporations Act* prohibits any person from passing an Application Form on to another person unless it is attached to or accompanied by a printed copy of the Prospectus or a complete and unaltered electronic version of the Prospectus.

## Electronic access to the Prospectus

The following conditions apply if the Prospectus is accessed electronically.

- You must download the entire Prospectus.
- Your Application will only be considered where you have applied on an Application Form that was attached to or accompanied by a copy of the Prospectus.
- The Prospectus is available to you electronically only if you are accessing and downloading or printing the electronic copy of the Prospectus in Australia during and after the Exposure Period, or in New Zealand after the Exposure Period.

## Applications for Brookfield Secured Bonds Series B

Applications for BSB-sB under the Prospectus may only be made during the Offer Period (although the Issuer reserves the right to accept late Applications) and pursuant to an Application Form attached to or accompanying the Prospectus.

For information on who is eligible to apply for BSB-sB under the Offer and how to make an Application, see Section 2.

## Providing personal information

You will be asked to provide personal information to the Issuer (directly or via its agents) if you apply for BSB-sB. See Section 8.16 for information on how the Issuer and its agents collect, hold and use this personal information.

## Restrictions in foreign jurisdictions

For details of certain foreign selling restrictions that apply to BSB-sB in foreign jurisdictions, see Section 8.15.

## No representations other than in this Prospectus

You should rely only on information in this Prospectus. No person is authorised to provide any information, or to make any representations in connection with the Offer, that is not contained in this Prospectus. Any information or representations not contained in this Prospectus may not be relied upon as having been authorised by the Issuer, the Guarantor Security Providers, the Brookfield Arranger or any other member of the Brookfield Group in connection with the Offer.

Except as required by law, and only to the extent so required, none of the Issuer, the Guarantor Security Providers, the Brookfield Arranger, any other member of the Brookfield Group or any other person warrants the future performance of the Issuer, the Guarantor Security Providers or the Property or any return on any investment made under this Prospectus.

## ASX quotation and when the Brookfield Secured Bonds Series B will be issued

The Issuer will apply to ASX within seven days after the date of this Prospectus for BSB-sB to be quoted on ASX. If ASX does not grant permission for BSB-sB to be quoted within three months after the date of this Prospectus, BSB-sB will not be issued and all Application payments will be refunded (without interest) to Applicants as soon as practicable.

If BSB-sB are accepted for quotation on ASX, the Issuer expects to issue BSB-sB on or about 23 November 2009.

## About the Trustee

The Trustee has given and has not withdrawn its written consent to be named as Trustee in this Prospectus. The Trustee has not authorised or caused the issue of this Prospectus. Neither the Trustee nor any of its related bodies corporate makes any representations as to the truth or accuracy of the contents of this Prospectus other than the parts which refer directly to the Trustee. The Trustee does not make any representation regarding or accepting any responsibility for any statements or omissions in or from any other parts of this Prospectus. Other than the parts of this Prospectus which refer directly to the Trustee, the Trustee has relied upon the Issuer for the accuracy of the contents of this Prospectus. Neither the Trustee nor any related body corporate makes any representations as to the performance of BSB-sB, the payment of interest and the Redemption of BSB-sB.

Neither the Trustee nor any of its related bodies corporate warrants the future performance of the Issuer, the Guarantor Security Providers, the Property or any return on any BSB-sB or other investment made under this Prospectus. BSB-sB are not liabilities of the Trustee or any of its related bodies corporate.

## About the Brookfield Arranger

**Brookfield Australia Funds Management Limited (ABN 81 104 643 629, AFSL number 231115) (Brookfield Arranger) is offering to arrange for the issue of BSB-sB by the Issuer pursuant to this Prospectus. The issue of BSB-sB is made according to a deed between the Issuer and the Brookfield Arranger that constitutes an "intermediary authorisation" for the purposes of section 911A(2)(b) of the Corporations Act. As part of the Brookfield Arranger's obligations according to the intermediary authorisation and the Corporations Act, it is required to give you a Financial Services Guide before you decide to apply for BSB-sB. Appendix C contains a copy of the Brookfield Arranger's Financial**

**Services Guide. The Brookfield Arranger and the Issuer are indirectly wholly owned subsidiaries of Brookfield Multiplex Limited.**

## Credit ratings

None of BSB-sB, the Issuer and the Guarantor Security Providers are rated. The Property is leased to a wholly owned subsidiary of the Commonwealth of Australia being Australian Postal Corporation (**Australia Post**). Australia Post is rated AAA by Standard & Poor's. This credit rating reference is current as at the date of this Prospectus but may be revised, withdrawn, suspended or downgraded by Standard & Poor's at any time. This credit rating reference is not a recommendation by Standard & Poor's to apply for BSB-sB offered under this Prospectus. Standard & Poor's has not consented to the use of its credit rating reference in this Prospectus and it is not liable for any statements in this Prospectus under section 729(1) of the *Corporations Act*.

**Ratings are statements of opinion, not statements of fact or recommendations to buy, hold or sell any securities (including BSB-sB). In as much as they do not comment as to market price or suitability for a particular investor, ratings may be changed, withdrawn or suspended at any time.**

## Diagrams

The diagrams used in this Prospectus are illustrative only. They may not necessarily be shown to scale. The diagrams are based on information which is current as at the date of this Prospectus.

## Defined words and expressions

Some capitalised words and expressions used in this Prospectus have defined meanings. The Glossary in Appendix B defines these words and expressions.

The definitions specific to BSB-sB are in clause 11.2 of the Terms in Appendix A. If there is any inconsistency in the definitions between the Prospectus and the Terms, the definitions in the Terms prevail.

A reference to time in this Prospectus is to Sydney time unless otherwise stated. A reference to \$, A\$, dollars and cents is to Australian currency unless otherwise stated.

Some numbers in this Prospectus have been rounded.

## Enquiries

If you have any questions about the offer please call the **BSB-sB Information Line on 1800 766 011 (within Australia) or +61 2 9290 9600 (within New Zealand) (Monday to Friday – 8.30am to 5.30pm AEDT)**. If you are uncertain whether BSB-sB are a suitable investment for you, you should consult your financial or other professional adviser.

## Additional information for New Zealand investors General

This Offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the *Corporations Act 2001* and Regulations. In New Zealand, this is Part 5 of the *Securities Act 1978* and the *Securities (Mutual Recognition of Securities Offerings – Australia) Regulations 2008*.

This Offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the *Corporations Act 2001* and Regulations (Australia) set out how the Offer must be made.

There are differences in how securities are regulated under Australian law. For example, the disclosure of fees for collective investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian securities may differ from the rights, remedies, and compensation arrangements for New Zealand securities.

Both the Australian and New Zealand securities regulators have enforcement responsibilities in relation to this Offer. If you need to make a complaint about this Offer, please contact the Securities Commission, Wellington, New Zealand. The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian securities is not the same as for New Zealand securities.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

If the securities are able to be traded on a securities market and you wish to trade the securities through that market, you will have to make arrangements for a participant in that market to sell the securities on your behalf. If the securities market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the securities and trading may differ from securities markets that operate in New Zealand.

## Currency risk

The Offer may involve a currency exchange risk. The currency for the securities is not New Zealand dollars. The value of the securities will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the securities to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

# Invitation to invest

12 October 2009

Dear Investor

## Offer of Brookfield Secured Bonds Series B

The Issuer is pleased to offer you the opportunity to invest in Brookfield Secured Bonds Series B (**BSB-sB**).

BSB-sB are limited recourse<sup>1</sup> mortgage debentures which are secured by a first mortgage over a 50% interest in an A grade office building which is located in the Melbourne CBD (**Property** as further described in Section 4). The Property has contracted rental income for 10 years from November 2009 (subject to the rent free period as described in Section 4.3) generated from a wholly owned subsidiary of the Commonwealth of Australia, being Australia Post. Australia Post is rated AAA.<sup>2</sup> BSB-sB are being offered to Australian and New Zealand resident investors to raise \$65 million. The proceeds are to be lent to the Property Owner, under the Loan, to repay existing bank debt secured against its 50% interest in the Property.

The minimum investment in BSB-sB is \$10,000 and the Offer is scheduled to open on 21 October 2009.

Application will be made for BSB-sB to be quoted on ASX.

The Interest Rate will be a fixed rate of 8.79% per annum.

BSB-sB must be redeemed three years from the Issue Date, expected to be 23 November 2012 (**Maturity Date**). On the Maturity Date, Holders are entitled to receive the Face Value of \$100 cash per BSB-sB plus any accrued but unpaid interest.

Full details of this opportunity, including the terms of issue of BSB-sB and a summary of key risks associated with an investment in BSB-sB, are set out in this Prospectus.<sup>3</sup> Please read the Prospectus carefully before deciding whether to invest in BSB-sB.

To participate in this Offer, please follow the instructions in Section 2.

If you have any questions about the offer, please phone the **BSB-sB Information Line on 1800 766 011 (within Australia) or +61 2 9290 9600 (within New Zealand) (Monday to Friday – 8.30am to 5.30pm AEDT)**. If you are uncertain whether BSB-sB are a suitable investment for you, please consult your financial or other professional adviser.

On behalf of the Board of the Issuer, I invite you to consider this new investment opportunity.

Yours sincerely



**Ross McDiven**  
**Chairman**

Brookfield Secured Bonds  
Series B Issuer Limited



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- 1 The liability of the Issuer and the Guarantor Security Providers in respect of BSB-sB is limited recourse which means that all claims against the Issuer or the Guarantor Security Providers in respect of BSB-sB can only be satisfied out of the Security.
- 2 None of BSB-sB, the Issuer and the Guarantor Security Providers are rated. Australia Post is rated AAA by Standard & Poor's as at the date of the Prospectus. For a description of what these ratings mean, see Section 8.19.
- 3 For a description of key risks, see Key Features of Brookfield Secured Bonds Series B, the Risk section in Section 1 and Section 6.

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## Important dates

### Key dates for the Offer

<b>Lodgement of this Prospectus with ASIC and NZCO</b>	<b>12 October 2009</b>
Bookbuild	19 October 2009
Opening Date	21 October 2009
Closing Date for General Offer	5.00 pm (AEDT) 18 November 2009
Closing Date for Broker Firm Offer	10.00 am (AEDT) 18 November 2009
Settlement Date	20 November 2009
Issue Date	23 November 2009
Holding Statement despatched	23 November 2009
<b>BSB-sB commence trading on ASX (normal settlement basis)</b>	<b>26 November 2009</b>

### Key dates for the Brookfield Secured Bonds Series B

First Interest Payment Date	14 April 2010
Maturity Date	23 November 2012 <sup>1</sup>

#### **Dates may change**

Key dates for the Offer are indicative only and may change. The Issuer, in consultation with the Joint Lead Managers, may extend the Offer, close the Offer early without notice, accept late Applications (either generally or in particular cases) or withdraw the Offer at any time before BSB-sB are issued. If you wish to apply for BSB-sB you are encouraged to submit your Application as soon as possible after the Opening Date. If the Closing Date is varied, subsequent dates may also be varied accordingly. To the extent any dates change, those changes will be published on the BSB-sB website – [www.brookfieldsecuredbonds.com](http://www.brookfieldsecuredbonds.com).

<sup>1</sup> On the assumption that the Issue Date is 23 November 2009.

# Key features of Brookfield Secured Bonds Series B

A summary of the key features of BSB-sB is set out below. This is a summary only. Investors should read this entire Prospectus carefully. The Terms of BSB-sB are set out in Appendix A.

If you are uncertain whether BSB-sB are a suitable investment for you, you should consult your financial or other professional adviser.

<b>Issuer</b>	<p>Brookfield Secured Bonds Series B Issuer Limited (ABN 44 139 569 529), a newly formed special purpose company that is an indirect wholly owned subsidiary of Brookfield Multiplex Limited (see Section 3.1). Neither the Issuer nor BSB-sB are rated by a rating agency.</p> <p>BSB-sB are not liabilities of Brookfield Group or the independent Trustee which has been appointed to hold and enforce rights in respect of BSB-sB.</p>
<b>Property and mortgage</b>	<p>BSB-sB are debentures secured by a first ranking mortgage over a 50% interest in an A grade office building which is located in the Melbourne CBD (<b>Property</b> as further described in Section 4).</p> <p>The Property is 50% owned by the Property Owner, an indirectly wholly owned sub-trust of Brookfield Multiplex Limited, and the remaining 50% is owned by a third party Co-owner (see Section 8.6). The Property Owner's 50% interest in the Property has been valued by an independent valuer at \$111.75 million<sup>1</sup> (see Section 4.10).</p>
<b>Guarantee</b>	<p>In addition to the mortgage, Holding Trust (the parent trust of the Property Owner and the Issuer) and the Property Owner have guaranteed amounts owing in respect of BSB-sB if the Issuer fails to pay an amount when due (see Section 3).</p>
<b>Limited recourse and enforcement of the Security</b>	<p>It is important to note that all the security described above is "limited recourse". This means that all claims in respect of amounts owing in respect of BSB-sB (such as unpaid interest or any principal amount outstanding) will be limited to the value of the security that has been provided.</p> <p>If the Issuer fails to pay any amount owing in respect of BSB-sB, it may be necessary to sell the Property Owner's 50% interest in the Property by enforcing the Property Owner Mortgage and the Property Owner Mortgage of Lease. If a sale is required, Holders should note that there is likely to be a delay in receiving amounts owing in respect of BSB-sB. This is because Holders will not be paid amounts owing until a buyer is found and completion of the sale occurs.</p> <p>In addition, the sale price for the 50% interest in the Property may be less than the amount owing to Holders and, if this occurs, Holders may lose some or all of their investment in BSB-sB. Holders will not be able to make any further claims against the Issuer, Holding Trust or the Property Owner in respect of the shortfall.</p>
<b>Lease and rental income</b>	<p>The Property is 97.7% leased<sup>2</sup> to a wholly owned subsidiary of the Commonwealth of Australia, being Australia Post, with a lease term of 10 years (see Section 4). The Issuer will be reliant on rental income paid under the Lease to fund interest payments. The Issuer has no other source of income.</p>
<b>Offer of BSB-sB</b>	<p>Each BSB-sB will have a face value of \$100. Investors must apply for at least 100 BSB-sB (\$10,000) and after that in increments of 10 BSB-sB (\$1,000).</p> <p>It is a condition of the Offer that the Issuer receives applications for 650,000 BSB-sB (\$65 million). The Issuer is unable to accept any oversubscriptions.</p>
<b>Purpose of Offer</b>	<p>The Issuer will loan the proceeds of the Offer to the Property Owner. This loan will be used to repay an intercompany loan with Brookfield Multiplex Group, which will in turn use the proceeds to repay existing bank debt currently secured against the Property Owner's 50% interest in the Property. This is subject to the existing mortgage and mortgage of lease being released upon issue of BSB-sB. If this does not occur the Offer will not proceed (see Section 2.1.5).</p>
<b>ASX listing</b>	<p>Within seven days of lodging this Prospectus, the Issuer will apply for BSB-sB to be quoted on ASX and, if admitted to quotation, BSB-sB are expected to trade under the code "BZBHA". It is not expected that there will be a liquid market for BSB-sB on ASX.</p>
<b>Issue Date</b>	<p>BSB-sB are expected to be issued on 23 November 2009. If the Issuer closes the Offer earlier or later than anticipated, this date may change. Any changes to the dates will be published on the BSB-sB website (<a href="http://www.brookfieldsecuredbonds.com">www.brookfieldsecuredbonds.com</a>).</p>
<b>Interest rate</b>	<p>The interest rate will be a fixed rate of 8.79% per annum.</p>

1 This assumes the Property is fully leased. Based on the existing occupation arrangements the valuation is \$108.65 million (Section 4.10).

2 Leased in this context includes the licence of certain car parking spaces pursuant to the Licences. For further details see Section 8.8.

# Key features of Brookfield Secured Bonds Series B continued

<b>Interest payments</b>	<p>Interest on BSB-sB will be calculated in respect of each quarterly period ending on 31 March, 30 June, 30 September and 31 December. However, the first Interest Period will commence on the Issue Date and end on 31 March 2010 and the final Interest Period will end on the Maturity Date or earlier Redemption Date (see below).</p> <p>Interest will generally be payable 14 days after the end of each quarterly period.</p> <p>Interest will also be payable on the Maturity Date or earlier Redemption Date.</p>
<b>Maturity Date</b>	<p>The Issuer must redeem BSB-sB three years from the Issue Date (expected to be 23 November 2012) for their Face Value of \$100 each.</p>
<b>Early Redemption/Change of Control</b>	<p>The Issuer may redeem BSB-sB at any time before the Maturity Date by giving notice to the Holders. If the Property Owner sells all or part of its 50% interest in the Property (or the Holding Trust sells all or part of the Units or the Shares) to an entity which is not a Brookfield Related Entity, Holders can require early redemption of BSB-sB by giving notice to the Issuer.</p> <p>If the purchaser of the interest in the Property and/or the Units (as applicable) elects not to become a party to the Transaction Documents (including providing replacement security over the Property and/or Units, as applicable), the Issuer must redeem all BSB-sB.</p> <p>In addition, the Trustee, acting on behalf of Holders, can require early redemption of all BSB-sB if there is an Event of Default.</p> <p>Generally, if all BSB-sB are redeemed prior to the Maturity Date, the Issuer must pay Holders \$100 per BSB-sB (being the Face Value), plus any accrued but unpaid interest, plus an early redemption payment of between \$2 and \$5 per BSB-sB (see Section 1).</p> <p>The early redemption payment will not be payable if the Issuer redeems BSB-sB due to certain taxation reasons (such as a change in the tax laws which would otherwise require the Issuer to pay an additional amount in respect of BSB-sB) (see Section 1).</p>
<b>Risks</b>	<p>There are risks associated with an investment in BSB-sB. Some of these risks are noted above. Others include, but are not limited to, the following:</p> <ol style="list-style-type: none"> <li>1. As noted above, the Issuer relies on rental income under the Lease to fund interest payable on BSB-sB and has no other source of income. In limited circumstances, Australia Post may claim a reduction in rent or terminate the lease, which may mean that the Issuer cannot pay interest on BSB-sB.</li> <li>2. Rental payments are made available for payment to Holders net of certain expenses and taxes (including rent payable by the Property Owner in respect of the Car Park Lease). If expenses or taxes are significantly higher than expected, the Issuer may not be able to pay interest on BSB-sB.</li> <li>3. The Issuer's ability to redeem BSB-sB at the Maturity Date is dependent on the Property Owner's ability to refinance the Loan made to it by the Issuer by the Maturity Date. Refinance of the Loan is dependent on market conditions, the value of the Property at the time and other factors. The Issuer has no assets other than the Loan. If the current difficulties in borrowing persist in three years' time, there will be an increased risk that the Property Owner may not be able to refinance the Loan. As noted above, if the Property Owner is unable to refinance the Loan, it may be necessary to sell the Property Owner's 50% interest in the Property by enforcing the Property Owner Mortgage and the Property Owner Mortgage of Lease.</li> <li>4. Generally, Holders have no exit rights prior to the Maturity Date other than by selling BSB-sB. It is not expected that there will be a liquid market for BSB-sB and BSB-sB may trade on ASX below their Face Value, for example because market rates increase (which may make an investment in fixed interest rate BSB-sB a relatively less attractive investment).</li> </ol> <p>See Section 1 for a full summary and Section 6 for further details of these and some of the other risks associated with an investment in BSB-sB.</p>



Summary of application process

General Offer	
<b>When to apply?</b>	Applications will only be accepted during the Offer Period, which is expected to open on 21 October 2009. The Closing Date for the General Offer is expected to be 5.00pm AEDT on 18 November 2009. Your completed Application Form and Application Payment must be received by this time.
<b>How to apply?</b>	<p>You can apply by requesting a paper copy of the Prospectus and an Application Form either online at <a href="http://www.brookfieldsecuredbonds.com">www.brookfieldsecuredbonds.com</a> or by calling the BSB-sB Information Line on 1800 766 011 (within Australia) or +61 2 9290 9600 (within New Zealand) (Monday to Friday – 8.30am to 5.30pm AEDT).</p> <p>When you submit your Application Form, you must pay by cheques(s), bank draft(s) or money order(s) denominated in Australian dollars.</p>
Broker Firm Offer	
<b>When to apply?</b>	Applications will only be accepted during the Offer Period, which is expected to open on 21 October 2009. The Closing Date for the Broker Firm Offer is expected to be 10.00am AEDT on 18 November 2009. Your completed Application Form and Application Payment must be received by your Syndicate Broker in accordance with arrangements made between you and your Syndicate Broker.
<b>How to apply?</b>	You should contact your Syndicate Broker for further instructions on how to submit your Application.
Institutional Offer	
<b>When to apply?</b>	The Bookbuild Date is expected to be 19 October 2009.
<b>How to apply?</b>	Institutional Investors will be invited by the Joint Lead Managers to make an Application. Applications by Institutional Investors are subject to the terms and conditions of the Bookbuild and this Prospectus.

For more information on applying for Brookfield Secured Bonds Series B, see Section 2.

If you have any questions on how to apply for BSB-sB, please call the **BSB-sB Information Line on 1800 766 011 (within Australia) or +61 2 9290 9600 (within New Zealand) (Monday to Friday – 8.30am to 5.30pm AEDT).**



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About Brookfield  
Secured Bonds  
Series B  
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# Section 1



# About Brookfield Secured Bonds Series B

## Introduction

<p><b>What are BSB-sB?</b></p>	<p>BSB-sB are mortgage debentures which are secured by the Security, including a first ranking mortgage and first ranking mortgage of lease over the Property Owner's 50% interest in the Property. Holders of BSB-sB are entitled to receive quarterly interest payments on each Interest Payment Date until BSB-sB are Redeemed.</p> <p>BSB-sB have a term of three years with a Maturity Date which is expected to be 23 November 2012. On the Maturity Date, Holders of BSB-sB will be entitled to receive the Face Value of \$100 cash per BSB-sB plus any accrued but unpaid interest.</p> <p>Holders of BSB-sB will also be entitled to receive an additional Early Redemption Payment if BSB-sB are Redeemed prior to the Maturity Date (unless such Redemption is as a result of the occurrence of a Tax Event or a Widespread Tax Event).</p>	
<p><b>Who is issuing BSB-sB?</b></p>	<p>The Issuer is Brookfield Secured Bonds Series B Issuer Limited (ABN 44 139 569 529). The Issuer is a special purpose company which is indirectly wholly owned by Brookfield Multiplex Limited.</p> <p>BSB-sB are not liabilities of the Brookfield Group (other than the Issuer and the Guarantor Security Providers) nor of the Trustee or any of its related bodies corporate.</p>	Section 3.1
<p><b>What is the size of the Offer?</b></p>	<p>The Offer is intended to raise \$65 million which is less than 60% of the value of the Property Owner's interest in the Property as valued by CBRE, an independent valuer, as at 30 September 2009. It is a condition of the Offer that the Issuer receives applications for 650,000 BSB-sB. The Issuer cannot accept any oversubscriptions.</p>	
<p><b>Who is the Trustee and what does it do?</b></p>	<p>The Trustee is Australian Executor Trustees Limited. The Trustee has been appointed under the Trust Deed to hold on trust for the Holders and itself upon the terms of the Trust Deed certain rights in respect of BSB-sB, including the right to enforce the Security and the right to enforce all other obligations of the Issuer and Guarantor Security Providers.</p>	Section 8.3
<p><b>Does the Issuer have to take any further steps before issuing BSB-sB?</b></p>	<p>There is an existing mortgage and mortgage of lease over the Property. The Issuer expects that this security will be released on or before the Issue Date. BSB-sB will not be issued unless this occurs.</p>	Section 2.1.5
<p><b>Why is the Issuer issuing BSB-sB?</b></p>	<p>The Issuer will use the proceeds raised from issuing BSB-sB to make the Loan to the Property Owner. This Loan will be used to repay an existing intercompany loan with Brookfield Multiplex Group who in turn will use the proceeds to repay existing bank debt secured against the Property Owner's 50% interest in the Property.</p> <p>The obligation of the Property Owner to pay interest on and repay principal owing under the Loan supports the Issuer's obligation to pay interest on and ultimately Redeem BSB-sB.</p>	Section 8.5
<p><b>Why are BSB-sB called Series B?</b></p>	<p>BSB-sB are the second in an expected series of mortgage debentures to be issued by members of the Brookfield Group. These additional series will not be issued by the Issuer. Brookfield Secured Bonds Series A were listed on ASX on 10 July 2009 under the code "BZAHA". The Issuer will apply to the ASX to have BSB-sB quoted on ASX and it is expected they will be quoted under the code "BZBHA".</p>	
<p><b>When is the Issue Date?</b></p>	<p>The Issue Date is expected to be 23 November 2009. If the Issuer closes the Offer earlier or later than anticipated, this date may change. To the extent any dates change, those changes will be published on the BSB-sB website (<a href="http://www.brookfieldsecuredbonds.com">www.brookfieldsecuredbonds.com</a>).</p>	

Introduction continued		
<b>When is the Maturity Date for BSB-sB?</b>	The Maturity Date for BSB-sB is three years from the Issue Date, and is expected to be 23 November 2012.	
<b>Who can apply under the Offer?</b>	The offer is open to Australian and New Zealand resident retail investors and Institutional Investors.	Section 2.1.1
<b>What do BSB-sB cost under the Offer?</b>	\$100 per BSB-sB. If you apply to invest in BSB-sB, you must apply for a minimum of 100 BSB-sB amounting to \$10,000 and after that in increments of 10 BSB-sB (\$1,000).	Section 2.1.1
<b>Are BSB-sB rated?</b>	BSB-sB do not have a credit rating.	
Interest on BSB-sB		
<b>What is the Interest Rate payable on BSB-sB?</b>	<p>The Interest Rate will be a fixed rate of 8.79% per annum.</p> <p><b>Worked example</b></p> <p>The amount of interest payable on each BSB-sB for an Interest Period will be calculated as follows:</p> $\frac{\text{Face Value} \times \text{Interest Rate} \times \text{Number of days in the Interest Period}}{365}$ <p>The interest payable for each BSB-sB for an Interest Period prior to the Maturity Date given the Interest Rate is 8.79% per annum and based on the assumption that the Interest Period is 91 days long would be:</p> $\frac{\$100 \times 8.79\% \times 91}{365} = \$2.19$ <p>This example is for illustrative purposes only and does not indicate, guarantee or forecast the actual interest payable for any Interest Period.</p>	
<b>When will interest on BSB-sB be payable?</b>	<p>Interest is payable on each Interest Payment Date, being the day which is 14 days after the last day of each Interest Period, the Maturity Date and any Redemption Date (adjusted if necessary so that if the relevant day falls on a weekend or public holiday, interest will be paid on the next Business Day).</p> <p>The first Interest Payment Date is expected to be 14 April 2010.</p> <p>The Interest Periods are each of the following quarterly periods:</p> <ul style="list-style-type: none"> <li>- 1 January to 31 March (inclusive);</li> <li>- 1 April to 30 June (inclusive);</li> <li>- 1 July to 30 September (inclusive); and</li> <li>- 1 October to 31 December (inclusive),</li> </ul> <p>in each year. However:</p> <ul style="list-style-type: none"> <li>- the first Interest Period commences on (and includes) the Issue Date and ends on (and includes) 31 March 2010; and</li> <li>- the final Interest Period ends on (but excludes) the Redemption Date or the Maturity Date of that BSB-sB (as applicable).</li> </ul> <p>Payment by the Issuer of a New Zealand dollar amount to a New Zealand Holder may be made by the Issuer on a Business Day on which banks are open for general banking business in Auckland (not being a Saturday, Sunday or public holiday in that place) immediately following the due date for payment if that due date for payment is not an Auckland business day.</p>	Clauses 2 and 11.2 of the Terms

# About Brookfield Secured Bonds Series B continued

## Interest on BSB-sB continued

<p><b>How will interest be funded?</b></p>	<p>Interest payments will be funded indirectly by the rental income received by the Property Owner in relation to its 50% interest in the Property. Rental receipts received by the Property Owner will be net of certain expenses and taxes (including rent payable by the Property Owner in respect of the Car Park Lease).</p> <p>The Property Owner has agreed to deposit all rent and other income received by it (net of certain expenses and taxes including rent payable by it in respect of the Car Park Lease) into the Collection Account within five Business Days of receipt. The Collection Account is a bank account in the name of the Issuer. The only signatory to the Collection Account will be the Trustee.</p> <p>The Lease commences on 12 November 2009. Due to the three month rent free period (applicable only to the mailroom and levels 1 to 20 of the office floors), payment of rent under the Lease commences on 12 February 2010. To ensure sufficient proceeds are available to satisfy all interest payable in respect of BSB-sB for the period in which no rent is being paid, Brookfield Multiplex Group lends \$1.268 million to the Property Owner on an unsecured basis who in turn will, on or before the Issue Date, deposit cash equivalent to the interest payable under BSB-sB from the Issue Date to the end of the rent free period, being 12 February 2010, into the Collection Account. This money will be used towards satisfying the interest payable in respect of BSB-sB.</p>	<p>Section 3.3.3</p>
<p><b>Are interest payments franked?</b></p>	<p>Interest payments will not be franked.</p>	
<p><b>Are interest payments deferrable or discretionary?</b></p>	<p>Interest payments are not deferrable or discretionary and must be paid on each Interest Payment Date by the Issuer.</p>	

Interest on BSB-sB continued		
<p><b>How will interest be paid</b></p>	<p>The Issuer expects to pay interest to a Holder with an Australian or New Zealand registered address directly into an account at an Australian or New Zealand financial institution nominated by that Holder to the Registry. Interest payments will generally be paid in Australian dollars.</p> <p>To be entitled to interest, a Holder must be recorded as a registered Holder on the relevant Record Date.</p> <p>The Issuer may decide that any payment in respect of a BSB-sB held by a Holder who nominates an account at a New Zealand financial institution for the purposes of it receiving payments in respect of BSB-sB (<b>NZ Holder</b> or <b>New Zealand Holder</b>) will be made in New Zealand dollars.</p> <p>In that case:</p> <ol style="list-style-type: none"> <li>1. the Issuer may convert the amount which would otherwise be payable by the Issuer in Australian dollars (<b>A\$ Amount</b>) into New Zealand dollars (<b>NZ\$ Amount</b>) at such rate (including the spot rate) as it reasonably considers appropriate. It may deduct its costs in connection with the conversion; and</li> <li>2. by the payment by the Issuer of the NZ\$ Amount to the NZ Holder, the Issuer will be taken to have fully satisfied its obligation to pay the NZ Holder the A\$ Amount in respect of the relevant BSB-sB.</li> </ol> <p>The statements above also apply to other payments by the Issuer, including on Redemption.</p> <p>Payment by the Issuer of a New Zealand dollar amount to a New Zealand Holder may be made by the Issuer on a Business Day on which banks are open for general banking business in Auckland (not being a Saturday, Sunday or public holiday in that place) immediately following the due date for payment if that due date for payment is not an Auckland business day.</p>	<p>Section 2.3.1</p>
<p><b>Will interest always be paid?</b></p>	<p>Interest must always be paid by the Issuer on each Interest Payment Date.</p> <p>If the Issuer does not pay interest when it is due, the Guarantor Security Providers must pay any shortfall. If the Issuer, or the Guarantor Security Providers, do not pay the shortfall owing within three Business Days of the relevant Interest Payment Date, an Event of Default occurs and the Trustee will be entitled to enforce against the Security and apply any proceeds of enforcement towards payment of the secured money (including any unpaid interest).</p>	

# About Brookfield Secured Bonds Series B continued

Security		
<b>What is the Security?</b>	<p>BSB-sB are secured by the following limited recourse Security:</p> <ul style="list-style-type: none"> <li>- The Property Owner Mortgage: a first ranking mortgage over the Property Owner's 50% interest in the Freehold Property;</li> <li>- The Property Owner Mortgage of Lease: a first ranking mortgage of lease over the Property Owner's 50% interest in the Car Park Lease;</li> <li>- the Issuer Charge: a first ranking charge over all the assets of the Issuer, including the Loan;</li> <li>- The Property Owner Charge: a first ranking charge over all the assets of the Property Owner, including its right to receive rental income from the Property Owner's 50% interest in the Property; and</li> <li>- the Holding Trust Charge: a first ranking charge over all the assets of the Holding Trust, including the Units.</li> </ul>	Sections 3.3 and 8.4
<b>What does it mean that the Security is limited recourse?</b>	<p>The liability of the Issuer and the Guarantor Security Providers in respect of BSB-sB is limited recourse.</p> <p>This means that all claims against the Issuer or the Guarantor Security Providers in respect of BSB-sB can be satisfied only out of the Security and are limited in recourse to distributions from the Security from time to time.</p> <p>The realisation of the Security following enforcement of the Security and its application toward the secured money constitutes a complete discharge of the Issuer and each Guarantor Security Provider's liability to the Trustee and each Holder.</p> <p>If sufficient funds are not realised from the Secured Property to discharge in full the obligations of the Issuer and the Guarantor Security Providers in respect of BSB-sB, no further claims may be made by the Holders or the Trustee against the Issuer or the Guarantor Security Providers in respect of the shortfall in the amount owing to the Holders in respect of BSB-sB. This includes bringing legal proceedings against the Issuer or the Guarantor Security Providers or applying to have the Issuer or the Guarantor Security Providers wound up.</p>	Section 3.3.2
<b>Can Holders enforce the Security?</b>	<p>If an Event of Default has occurred and is subsisting, Holders can direct the Trustee to enforce the Security by passing a Holder Resolution. Generally speaking, Holders cannot enforce the Security directly.</p>	Clauses 5.5 and 5.6 of the Terms

<b>Security continued</b>		
<b>What is guaranteed under the Guarantee from the Holding Trust and the Property Owner?</b>	The Guarantor Security Providers guarantee amounts owing in respect of BSB-sB, including the interest payable on each Interest Payment Date and the Face Value at Redemption. It is important to note that the liability of the Guarantor Security Providers in respect of BSB-sB can only be paid or satisfied out of the Secured Property the subject of the Security granted by the Guarantor Security Providers.	Section 8.3.4
<b>Can the Issuer incur obligations that rank ahead or equal to that of BSB-sB?</b>	To ensure that no obligations (other than those mandatorily preferred by law and amounts payable to the Trustee in respect of its services, including any enforcement costs) rank ahead or equal to that of BSB-sB, the Issuer and Guarantor Security Providers have undertaken not to incur any other debt unless it is Permitted Debt.	Section 3.3
	Permitted Debt is debt that is unsecured.	Section 3.3.5
<b>Property</b>		
<b>What is the Property?</b>	The Property comprises an A grade office building, known as Southern Cross West. The Property is located in the Melbourne CBD. Subject to the terms of the Lease, rental income from the Property is contracted for 10 years from November 2009 with the rental payments under the Lease commencing in February 2010 (the rent free period applies only to the mailroom and levels 1 to 20 of the office floors). The Property is leased to Australia Post, a wholly owned subsidiary of the Commonwealth of Australia. Australia Post is rated AAA by Standard & Poor's. For a description of what this rating means, see Section 8.19.	Section 4
	The Property Owner has a 50% interest in the Property. The other 50% is owned by the Co-owner. Dealings with the Co-owner and the Property are governed by the Co-owners Agreement. The Trustee must comply with the terms of the Co-owners Agreement and the Car Park Lease if it becomes entitled to enforce the Security.	Section 8.6
	Both co-owners must comply with the terms of the Lease.	Section 8.8
<b>Will the Property be valued?</b>	<p>The Property has been independently valued as at 30 September 2009.</p> <p>The Property will be valued by a third party valuer no less frequently than every three years in line with the Property Owner's valuation policy.</p> <p>The Directors will undertake an annual valuation of the Property and, in doing so, will have regard to external valuations obtained by Brookfield Multiplex Group in respect of other similar properties at the time of each valuation. If the Directors become aware that there has been a material change in the value of the Property Owner's interest in the Property, the Directors will obtain a valuation by a third party valuer.</p>	Section 4.10

# About Brookfield Secured Bonds Series B continued

Property continued		
<b>Can the Property be sold?</b>	<p>The Property Owner may, subject to the pre-emptive right in the Co-owners Agreement in favour of the Co-owner and obtaining the consent of the landlord under the Car Park Lease, sell all or part of its 50% interest in the Property to a Brookfield Related Entity or a non-Brookfield Related Entity provided that the purchaser must:</p> <ul style="list-style-type: none"> <li>- become a party to all the relevant Transaction Documents;</li> <li>- grant security to the Trustee on substantially the same terms as the relevant existing Security; and</li> <li>- do anything else the Trustee reasonably requires.</li> </ul> <p>If the Property Owner sells its interest in the Property to a non-Brookfield Related Entity, Holders have a right to redeem their holding of BSB-sB. If the relevant purchaser elects not to become a party to the Transaction Documents, the Issuer must redeem all BSB-sB.</p> <p>In each case, Holders of BSB-sB which are being redeemed will be entitled to receive:</p> <ul style="list-style-type: none"> <li>- the Face Value of \$100 cash per BSB-sB;</li> <li>- any accrued but unpaid interest; and</li> <li>- an Early Redemption Payment.</li> </ul> <p>A Brookfield Related Entity includes an entity in which Brookfield Asset Management Inc. (or a subsidiary of Brookfield Asset Management Inc.) controls 20% or more of the voting rights on a winding up of that entity.</p>	Clause 4.5 of the Terms
Redemption		
<b>What happens on the Maturity Date?</b>	The Issuer must Redeem all outstanding BSB-sB for the Face Value of \$100 cash plus any accrued but unpaid interest.	
<b>Can Holders request Redemption prior to the Maturity Date?</b>	<p>Holders will have no right to request Redemption of BSB-sB prior to the Maturity Date unless a Permitted External Disposal occurs.</p> <p>If a Permitted External Disposal occurs, a Holder may request Redemption of their BSB-sB before the Maturity Date and the Issuer must redeem those BSB-sB.</p>	Clause 4.5 of the Terms
<b>Can the Issuer Redeem BSB-sB prior to the Maturity Date?</b>	<p>The Issuer may redeem BSB-sB at any time before the Maturity Date by giving notice to the Holders.</p> <p>If a Permitted External Disposal occurs and the relevant purchaser elects not to become a party to the Transaction Documents (including providing replacement security over the Property and/or the Units, as applicable), the Issuer must Redeem all BSB-sB.</p> <p>In addition, if a Tax Event occurs in respect of a BSB-sB, the Issuer may elect to Redeem that BSB-sB (but need not Redeem any other BSB-sB) or, if a Widespread Tax Event occurs, the Issuer may elect to Redeem all BSB-sB prior to the Maturity Date.</p> <p>If an Event of Default occurs and is continuing, the Trustee may (and must do so following the passing of a Holder Resolution) direct the Issuer to Redeem all BSB-sB.</p>	Clauses 4.2, 4.3 and 4.4 of the Terms

<b>Redemption continued</b>		
<b>What happens on Redemption prior to the Maturity Date?</b>	<p>If the Issuer elects or is required to Redeem BSB-sB prior to the Maturity Date, each Holder will be entitled to receive the Face Value of \$100 cash per BSB-sB, any accrued but unpaid interest and, to the extent applicable, the Early Redemption Payment.</p> <p>The Early Redemption Payment is calculated on the following basis:</p> <ul style="list-style-type: none"> <li>– if Redemption occurs before the first anniversary of the Issue Date, each Holder will receive an additional \$5 per BSB-sB (a 5% premium to Face Value);</li> <li>– if Redemption occurs on or after the first anniversary of the Issue Date but before the second anniversary of the Issue Date, each Holder will receive an additional \$4 per BSB-sB (a 4% premium to Face Value); or</li> <li>– if Redemption occurs on or after the second anniversary of the Issue Date but before the Maturity Date, each Holder will receive an additional \$2 per BSB-sB (a 2% premium to Face Value).</li> </ul> <p>However, no Early Redemption Payment will be payable due to a Redemption because of a Tax Event or Widespread Tax Event.</p>	
<b>What is an Event of Default?</b>	<p>Each of the following events is an Event of Default in relation to BSB-sB:</p> <ol style="list-style-type: none"> <li>1. a failure by the Issuer or the Guarantor Security Providers to pay any amount payable in respect of BSB-sB within three Business Days of the due date for payment;</li> <li>2. any of the Issuer or the Guarantor Security Providers become insolvent;</li> <li>3. a Transaction Document is or becomes unenforceable or does not have the priority it is expressed to have;</li> <li>4. a breach by the Issuer or the Guarantor Security Providers of certain negative undertakings (such as incurring debt which is not a Permitted Debt or disposing of its interest in the Property in a manner not permitted under the Transaction Documents), and such non-compliance is not remedied (where possible) within 30 Business Days of a notice from the Trustee; and</li> <li>5. the Brookfield Multiplex SX West Tower Landowning Trust or the Brookfield Multiplex SX West Tower Holdings Trust is terminated.</li> </ol>	Section 8.3.5 and clause 5.1 of the Terms
<b>What is a Tax Event or Widespread Tax Event?</b>	<p>A Tax Event occurs if:</p> <ul style="list-style-type: none"> <li>– as a result of any change in, or amendment to, the laws of a relevant tax jurisdiction, or any change in their application or official or judicial interpretation, the Issuer is required to pay an additional amount under clause 4.2 of the Terms; or</li> <li>– as a result of any change in, or amendment to, applicable laws, or any change in their application or official or judicial interpretation, which change becomes effective after the Issue Date, interest on a BSB-sB is not, or may not be, allowed as a deduction for the purposes of Brookfield Group's Australian income tax liability calculation.</li> </ul> <p>A Widespread Tax Event is where the Issuer is entitled to give a notice of Redemption due to a Tax Event in respect of greater than 50% of the aggregate Face Value of all BSB-sB at that time.</p>	Clauses 4.2 and 4.3 of the Terms
<b>What is a Permitted External Disposal?</b>	<p>A sale of the Property Owner's Units and/or the Property Owner's 50% interest in the Property to a purchaser who is not a Brookfield Related Entity, where the purchaser becomes a party to all relevant Transaction Documents (or alternatively, all BSB-sB are redeemed).</p>	

# About Brookfield Secured Bonds Series B continued

Redemption continued		
<b>What happens if the Issuer does not pay amounts on BSB-sB when due?</b>	<p>Under the Guarantee, the Guarantor Security Providers guarantee the payment of any amounts which become due and payable, or which are unpaid, by the Issuer on BSB-sB.</p> <p>If the Issuer does not pay amounts in respect of BSB-sB when due (for example, interest due on any Interest Payment Date or the Face Value of BSB-sB on the Maturity Date), the Guarantor Security Providers must pay the shortfall owing.</p> <p>If the Issuer or Guarantor Security Providers fail to pay the shortfall within three Business Days of the due date, an Event of Default occurs and the Trustee will be entitled to enforce the Security and apply any proceeds of enforcement towards the secured money.</p>	Sections 8.3.5 and 8.3.6
Tax		
<b>What are the taxation implications of investing in BSB-sB?</b>	<p>The taxation implications of investing in BSB-sB will depend on the individual circumstances of the Holder, including in particular whether you are a resident of Australia or another country. A summary of some of the relevant Australian and New Zealand taxation considerations for Holders is provided in Section 7.</p> <p> Holders should obtain their own taxation advice based on their individual circumstances before investing in BSB-sB.</p>	Section 7
<b>Will any tax be withheld from payments of interest?</b>	<p><b>Interest withholding tax on payment to non-residents</b></p> <p>The Issuer intends to ensure that the public offer and other relevant tests are satisfied, such that the section 128F of the <i>Income Tax Assessment Act 1936</i> exemption from interest withholding tax should apply. On that basis, no interest withholding tax should be required to be deducted from payments of interest.</p> <p>In the event that the public offer or other relevant tests are not satisfied, the Issuer is required to withhold tax at 10% from payments of interest to non-resident Holders (including New Zealand Holders), or to any other Holder who is recorded in respect of BSB-sB as having a non-Australian address or to whom payment of BSB-sB interest outside Australia is authorised.</p> <p>Under the Terms, the Issuer will be required to gross-up interest payments in the event that BSB-sB do not qualify for the interest withholding tax exemption under section 128F of the <i>Income Tax Assessment Act 1936</i>. Under such a gross-up, the amount received by a relevant investor should be the same, after deduction of Australian interest withholding tax from the grossed-up amount, as it would have been if the section 128F of the <i>Income Tax Assessment Act 1936</i> exemption had been available.</p> <p><b>TFN withholding</b></p> <p>The Issuer is required to withhold tax at the highest marginal tax rate including Medicare levy (currently 46.5%) in instances where tax residents of Australia have not provided their TFN, ABN or appropriate exemption. The Issuer is not required to gross-up payments on account of such withholding tax. TFN withholding will apply even if the public offer test described above is satisfied.</p>	Section 7
<b>Will I have to pay any stamp duty?</b>	There are no Australian stamp duty consequences for Holders on the issue, sale, transfer or Redemption of BSB-sB.	

<b>Implications of holding BSB-sB</b>		
<b>Can BSB-sB be traded on the ASX?</b>	The Issuer will apply to have BSB-sB quoted on ASX and it is expected they will be quoted under the code "BZBHA". Quotation on ASX is not guaranteed or automatic. If quotation is not granted within three months after the date of the Prospectus (or any longer period permitted by law), BSB-sB will not be issued and Application Payments will be refunded (without interest) as soon as practicable.	Section 2.4
<b>How much will Holders receive if they sell their BSB-sB on ASX?</b>	<p>The amount which a Holder of BSB-sB would receive if they sold their BSB-sB on ASX will depend on the market price of BSB-sB at that time. This may be more, less or equal to the Face Value of \$100 per BSB-sB. Holders who sell their BSB-sB on ASX may have to pay brokerage costs.</p> <p>Notwithstanding the trading performance of BSB-sB on ASX after the Issue Date, Holders are entitled to receive the Face Value of \$100 per BSB-sB on the Maturity Date. Holders will also receive an Early Redemption Payment (in certain limited circumstances) if BSB-sB are redeemed on an earlier Redemption Date.</p>	
<b>Do Holders of BSB-sB have any voting rights?</b>	<p>Holders are entitled to vote at meetings of Holders on certain matters affecting their rights as Holders in accordance with the Terms and the Trust Deed.</p> <p>BSB-sB confer no rights on a Holder to:</p> <ul style="list-style-type: none"> <li>– vote at any meeting of shareholders of the Issuer, the Guarantor Security Providers or the Trustee;</li> <li>– subscribe for new securities or to participate in any bonus issues of securities of the Issuer, the Guarantor Security Providers or any other member of the Brookfield Group; or</li> <li>– otherwise participate in the profits or property of the Issuer or the Guarantor Security Providers, except as set out in the Transaction Documents.</li> </ul>	
<b>Risks</b>		
<b>What are the risks of investing in BSB-sB?</b>	<p>There are risks associated with an investment in BSB-sB. These risks include, but are not limited to, the following:</p> <ol style="list-style-type: none"> <li>1. The Issuer and the Guarantor Security Providers rely on rental income under the Lease to fund interest payable on BSB-sB and under the Guarantee as applicable. The Issuer and the Guarantor Security Providers have no other source of income.</li> </ol> <p>In certain circumstances, Australia Post may claim a reduction in rent payable under the Lease if certain terms of the Lease are breached (for example, if certain facilities of the Property fail to perform to a specified standard or if the Property becomes unfit for use as an office). Australia Post also has a right to terminate the lease in limited circumstances (for example, if the Property becomes unfit for occupation and use as an office or wholly or substantially inaccessible and the Property Owner does not give a notice to Australia Post either electing to terminate the Lease or to reinstate the Premises within 180 days from the date of the relevant damage or destruction).</p> <p>The Property is 97.7% leased to Australia Post so a reduction in rent or a termination of the Lease may mean that the Issuer cannot pay interest on BSB-sB.</p>	

# About Brookfield Secured Bonds Series B continued

## Risks continued

### What are the risks of investing in BSB-sB? continued

2. Rental payments received by the Property Owner are made available for payment to Holders net of certain expenses and taxes (including rent payable by the Property Owner in respect of the Car Park Lease). If expenses or taxes are significantly higher than expected, due for example to unexpected operating or capital expenses relating to the Property, the Issuer and the Guarantor Security Providers may not be able to pay interest on BSB-sB.
  3. The Issuer's ability to Redeem BSB-sB at the Maturity Date is dependent on the Property Owner's ability to refinance the Loan made to it by the Issuer by the Maturity Date. The Issuer has no assets other than the Loan.  
  
The Property Owner's ability to refinance its obligations will be dependent on market conditions, the value of the Property and other factors at the time. If the current difficulties in borrowing persist in three years' time, there will be an increased risk that The Property Owner may not be able to refinance the Loan.
  4. If the Issuer fails to pay any amount owing in respect of BSB-sB, the Security may be enforced. However, the liability of the Issuer and the Guarantor Security Providers can only be paid out of the Security. If the amount which is realised on sale of the 50% interest in the Property is less than the amount owed to Holders (for example, because the Property has decreased in value), Holders may lose some or all of their investment in BSB-sB.
  5. Other than where there is an Event of Default or a Permitted External Disposal, Holders have no exit rights prior to the Maturity Date other than by selling BSB-sB on market or through an off market transfer. It is not expected that there will be a liquid market for BSB-sB and BSB-sB may trade on ASX below their Face Value, for example because interest rates increase (which may make an investment in fixed interest rate BSB-sB a comparatively less attractive investment). Accordingly, there is no guarantee that Holders will be able to sell BSB-sB and, even if they are able to do so, there is a risk that they will lose money on any sale.
  6. The Issuer may Redeem BSB-sB prior to the Maturity Date.
- Further information regarding these and some of the other risks associated with BSB-sB and the Offer is set out in Section 6.

## Further information

For more information on applying for BSB-sB, see Section 2. If you have any questions in relation to the Offer, please call the **BSB-sB Information Line on 1800 766 011 (within Australia) or +61 2 9290 9600 (within New Zealand) (Monday to Friday – 8.30am to 5.30pm AEDT)** or contact your Broker or other professional adviser.



## Section 2



## About the Offer

### 2.1 Applying for Brookfield Secured Bonds Series B

The Issuer is seeking to raise \$65 million by issuing 650,000 BSB-sB. Each BSB-sB has a Face Value of \$100. It is a condition of the Offer that the Issuer receives applications for 650,000 BSB-sB. The Issuer cannot accept any oversubscriptions.

Applications for BSB-sB must be made to the Brookfield Arranger who is offering to arrange for the issue of BSB-sB by the Issuer pursuant to this Prospectus. The issue of BSB-sB will be made according to a deed between the Issuer and the Brookfield Arranger that constitutes an "intermediary authorisation" for the purposes of section 911A(2)(b) of the *Corporations Act*. As part of the Brookfield Arranger's obligations according to the intermediary authorisation and the *Corporations Act*, it is required to give you a Financial Services Guide before you decide to apply for BSB-sB. Appendix C contains a copy of the Brookfield Arranger's Financial Services Guide. The Brookfield Arranger and the Issuer are indirectly wholly owned subsidiaries of Brookfield Multiplex Limited.

#### 2.1.1 Eligibility, timing and process for applying

Offer	How many BSB-sB can you apply for?	When to apply?	How do I apply?
<p><b>General Applicants under the General Offer</b></p> <p>You may apply for BSB-sB under the General Offer if you are an Australian or New Zealand resident and not a Broker Firm Applicant.</p>	<p>Your Application must be for a minimum of 100 BSB-sB (\$10,000) and after that in increments of 10 BSB-sB (\$1,000). The Issuer, in consultation with the Joint Lead Managers, reserves the right to reject any Application, or to allocate any General Applicant a lesser number of BSB-sB than applied for.</p>	<p>Applications will only be accepted during the Offer Period, which is expected to open on 21 October 2009. The Closing Date for the General Offer is expected to be 5.00pm AEDT on 18 November 2009. Your completed Application Form and Application Payment must be received by the Closing Date.</p>	<p>Application Forms will be contained in the back of the Prospectus that should be used by General Applicants to apply for BSB-sB. An electronic copy of the Prospectus with an Application Form will be available during the Offer Period (for Australian and New Zealand residents only) at <a href="http://www.brookfieldsecuredbonds.com">www.brookfieldsecuredbonds.com</a>.</p> <p>Alternatively, you can request a paper copy of the Prospectus and Application Form either by calling the Brookfield Secured Bonds Information Line on 1800 766 011 (within Australia) or +61 2 9290 9600 (within New Zealand) (Monday to Friday – 8.30am to 5.30pm AEDT).</p> <p>You can submit an Application by completing the Application Form in accordance with the instructions set out on the reverse side of the form and submitting the Application Form, together with payment of your Application Payment by cheque(s), bank draft(s) or money order(s) in Australian dollars (see Section 2.1.2), to the Brookfield Arranger c/- the Registry at the address set out in Section 2.1.6.</p>

Offer	How many BSB-sB can you apply for?	When to apply?	How do I apply?
<p><b>Broker Firm Applicants under the Broker Firm Offer</b> The Broker Firm Offer is open to all Australian and New Zealand resident clients of a Syndicate Broker who apply for a firm Allocation from that Syndicate Broker.</p>	<p>Your Application must be for a minimum of 100 BSB-sB (\$10,000) and after that in increments of 10 BSB-sB (\$1,000). Your Syndicate Broker will inform you of your Allocation.</p>	<p>Applications will only be accepted during the Offer Period, which is expected to open on 21 October 2009. The Closing Date for the Broker Firm Offer is expected to be 10.00am AEDT on 18 November 2009. Your completed Application Form and Application Payment must be received by your Syndicate Broker in accordance with arrangements made between you and your Syndicate Broker.</p>	<p>There will be Application Forms contained in the back of the Prospectus that should be used by Broker Firm Applicants to apply for BSB-sB.</p> <p>Instructions on how to complete the Application Form are set out on the reverse side of that form.</p> <p>You should contact your Syndicate Broker for information on how to submit the Application Form and your Application Payment to your Syndicate Broker.</p> <p>You must NOT return your Application Form to the Registry.</p> <p>Your Syndicate Broker:</p> <ul style="list-style-type: none"> <li>- may provide a facility for you to apply for BSB-sB online;</li> <li>- must have received your completed Application Form and Application Payment in time to arrange settlement on your behalf by the Closing Date for the Broker Firm Offer – expected to be 10.00am AEDT on 18 November 2009; and</li> <li>- will act as your agent in processing your Application Form and providing your Application details and Application Payment to the Brookfield Arranger.</li> </ul>
<p><b>Institutional Investors under the Institutional Offer</b> Institutional Investors who have been invited by the Joint Lead Managers to bid for BSB-sB through the Bookbuild will be provided instructions on how to make an Application by the Joint Lead Managers.</p>	<p>Applications by Institutional Investors are subject to the terms and conditions of the Bookbuild and this Prospectus.</p>	<p>The date of the Bookbuild is expected to be 19 October 2009.</p>	<p>Bids by Institutional Investors under the Institutional Offer are subject to the terms and conditions of the Bookbuild and this Prospectus.</p>

## About the Offer continued

### 2.1.2 How to make payments

#### General Offer

If you apply under the General Offer, your completed Application Form must be accompanied by your Application Payment in the form of cheque(s), bank draft(s) or money order(s) in Australian dollars drawn on an Australian branch of a financial institution and made payable to **Brookfield Secured Bonds Series B Issuer Limited Applications Account**.

New Zealand applicants need to obtain a draft in **Australian dollars** payable on a bank, building society or credit union in Australia, or where they have an account with a bank, building society or credit union in Australia, by a cheque(s) drawn on that financial institution. Cheque(s), bank draft(s) or money order(s) are to be made payable to **Brookfield Secured Bonds Series B Issuer Limited Applications Account**.

Cheques should be crossed "Not Negotiable". Cash payments will not be accepted.

#### Broker Firm Offer

You should contact your Syndicate Broker for information on how to submit the Application Form and your Application Payment to your Syndicate Broker.

### 2.1.3 Brokerage and stamp duty

No brokerage or stamp duty is payable on your Application. In addition, you will not be required to pay stamp duty on the sale, transfer or Redemption of BSB-sB.

### 2.1.4 Application Payments held on trust

All Application Payments received before BSB-sB are issued will be held by the Issuer on trust in an account established solely for the purpose of depositing Application Payments received. After BSB-sB are issued to successful Applicants, the Application Payments held on trust and referable to BSB-sB issued to successful Applicants will be payable to the Issuer.

Any interest that accrues on Application Payments prior to the issue of BSB-sB will be, and will remain, the property of the Issuer.

### 2.1.5 Refunds

The Issuer may allot fewer BSB-sB than requested in your Application.

If you apply under the General Offer and you are not allotted any BSB-sB or you are allotted fewer BSB-sB than the number you applied for as a result of a scale back, all or some of your Application Payment (as applicable) will be refunded (without interest) as soon as possible after the Issue Date.

In addition, if the Offer does not proceed for any reason including if the existing security over the Property is not released, Applicants will have their Application Payments refunded (without interest) as soon as possible. Any interest that accrues on Application Payments to be refunded will be, and will remain, the property of the Issuer.

### 2.1.6 Delivering paper Application Forms – General Offer

If you are applying under the General Offer and you wish to submit an Application Form, you must submit your completed Application Form and Application Payment to the Brookfield Arranger c/- the Registry at the address below so that they are received by the Brookfield Arranger before the Closing Date for the General Offer, which is expected to be 5.00pm AEDT on 18 November 2009.

Submit **by mail** to the Registry on the following address:

Brookfield Australia Funds Management Limited  
C/- Registries Limited  
GPO Box 3993  
Sydney NSW 2001

**Hand delivery** of Applications at the following address:

Brookfield Australia Funds Management Limited  
C/- Registries Limited  
Level 7  
207 Kent Street  
Sydney NSW 20010

Paper Application Forms and Application Payments will not be accepted at any other address (including Brookfield Group's registered office or any other office of the Brookfield Group).

## 2.2 Allocation policy

### 2.2.1 Allocation

#### General Offer

The Issuer, in consultation with the Joint Lead Managers, has the absolute discretion to determine the method and extent of the Allocation to Applicants under the General Offer. In particular, the Issuer, in consultation with the Joint Lead Managers, reserves the right (at its discretion) to:

- allocate to a General Applicant; or
- reject any Application by a General Applicant; or
- allocate to any General Applicant a lesser number of BSB-sB than that applied for, including less than the minimum Application of BSB-sB or none at all.

No assurance is given that any General Applicant will receive an Allocation.

### Broker Firm Offer

Firm allocations to Syndicate Brokers will be determined by the Issuer, in consultation with the Joint Lead Managers, subject to the terms and conditions of the Bookbuild. Allocations to Broker Firm Applicants by a Syndicate Broker are at the discretion of that Syndicate Broker, subject to the terms of this Prospectus.

### Institutional Offer

Allocations to Institutional Investors will be determined by the Issuer, in consultation with the Joint Lead Managers, subject to the terms and conditions of the Bookbuild. The Issuer reserves the right to allocate BSB-sB to Institutional Investors that do not participate in the Bookbuild.

#### 2.2.2 Bookbuild

The Bookbuild is a process conducted by the Joint Lead Managers in consultation with the Issuer before the Opening Date. In this process, Syndicate Brokers and Institutional Investors are invited to lodge bids for a number of BSB-sB. On the basis of those bids, the Issuer, in consultation with the Joint Lead Managers, will determine the firm allocations to Syndicate Brokers and Institutional Investors.

The Bookbuild will be conducted under the terms and conditions agreed by the Issuer and the Joint Lead Managers in the Offer Management Agreement see Section 8.10.

BSB-sB allocated to Syndicate Brokers through the Bookbuild will be issued to Applicants through Applications made under this Prospectus.

Bids by Institutional Investors under the Institutional Offer are subject to the terms and conditions of the Bookbuild and this Prospectus.

## 2.3 Other information relevant to your Application

### 2.3.1 Provision of bank account details for interest payments

The Issuer expects to pay your interest payments and Redemption amount directly into an Australian or New Zealand dollar account of a financial institution nominated by you.

On the Application Form, provision is made for you to provide your Australian or New Zealand dollar financial institution details. However, if these details are not provided either in the Application Form or by other means, you will be sent a specific form for collection of that information. That form will be sent to you after the Allocation confirmation but ahead of the first Interest Payment Date.

If you do not provide your relevant details to the Registry, or the transfer of any payment does not complete, a notice will be sent to the address notified by you advising you of the amount of the payment. In that case the funds will be held in a special purpose account maintained by the Issuer as a non-interest bearing deposit paid by the Issuer under legislation relating to unclaimed monies.

In accordance with the Trust Deed, the Issuer reserves the right to vary the way in which any payments are made, including making distributions by Australian dollar denominated cheque.

The Issuer may decide that any payment in respect of a BSB-sB to a Holder who nominates an account at a New Zealand financial institution for the purposes of it receiving payments in respect of BSB-sB (**NZ Holder** or **New Zealand Holder**) will be made in New Zealand dollars. In that case:

1. the Issuer may convert the amount which would otherwise be payable by the Issuer in Australian dollars (**A\$ Amount**) into New Zealand dollars (**NZ\$ Amount**) at such rate (including the spot rate) as it reasonably considers appropriate. It may deduct its costs in connection with the conversion; and
2. by the payment by the Issuer of the NZ\$ Amount to the NZ Holder, the Issuer will be taken to have fully satisfied its obligation to pay the NZ Holder the A\$ Amount in respect of the relevant BSB-sB.

### 2.3.2 Provision of Tax File Number or Australian Business Number for Australian tax residents

On the Application Form, provision is made for you to provide your Tax File Number (**TFN**) or Australian Business Number (**ABN**), or claim a valid exemption. However, if these details are not provided either in the Application Form or by other means, you will be sent a specific form for collection of that information. That form will be sent to you after the Allocation confirmation but ahead of the first Interest Payment Date.

The collection and quotation of TFNs and ABNs is authorised, and their use and disclosure is strictly regulated, by tax laws and the *Privacy Act 1988* (Cth).

You do not have to provide your TFN or ABN and it is not an offence if you fail to do so. However, the Issuer will be required to withhold Australian tax at the maximum marginal tax rate (currently 46.5% including the Medicare Levy) on the amount of any interest unless you provide one of the following:

- TFN;
- TFN exemption number (if applicable); or
- ABN (if BSB-sB are held in the course of an enterprise carried on by you).

## About the Offer continued

### 2.3.3 Provision of personal information

The information about you included on an Application Form is used for the purposes of processing the Application and, if the Application is successful, to administer your holding of BSB-sB. For information about the acknowledgements and privacy statement in relation to personal information that you provide the Issuer by completing an Application Form, see Section 8.16.

### 2.4 ASX quotation, trading and Holding Statements

#### 2.4.1 ASX quotation and trading

The Issuer will apply to ASX within seven days after the date of this Prospectus for BSB-sB to be quoted on ASX. If ASX does not grant permission for BSB-sB to be quoted within three months after the date of this Prospectus, BSB-sB will not be issued and all Application Payments will be refunded (without interest) to Applicants as soon as possible. The Issuer expects that BSB-sB will begin trading on ASX, on a normal settlement basis, on 26 November 2009 under ASX code "BZBHA".

You are responsible for confirming your holding before trading in BSB-sB. If you are a successful Applicant and you sell your BSB-sB before you receive your Holding Statement, you do so at your own risk.

You may call the BSB-sB Information Line on 1800 766 011 (within Australia) or +61 2 9290 9600 (within New Zealand) (Monday to Friday – 8.30am to 5.30pm AEDT) or your Syndicate Broker after the Issue Date to enquire about your Allocation.

#### 2.4.2 Holding Statements

The Issuer will apply for BSB-sB to participate in CHESS. No certificates will be issued for BSB-sB. The Issuer expects that Holding Statements will be despatched to successful Applicants on 23 November 2009.

### 2.5 Enquiries

#### General Applicants

You may call the Brookfield Secured Bonds Information Line on 1800 766 011 (within Australia) or +61 2 9290 9600 (within New Zealand) (Monday to Friday – 8.30am to 5.30pm AEDT) if you:

- have further questions on how to apply for Brookfield Secured Bonds Series B;
- require assistance to complete your Application Form;
- require additional copies of this Prospectus or Application Forms; or
- have any other questions about the Offer.

#### Broker Firm Applicants

If you have further questions about the Offer or your Application, you should contact your Syndicate Broker.

If you are uncertain if BSB-sB are a suitable investment for you, you should consult your financial or other professional adviser.

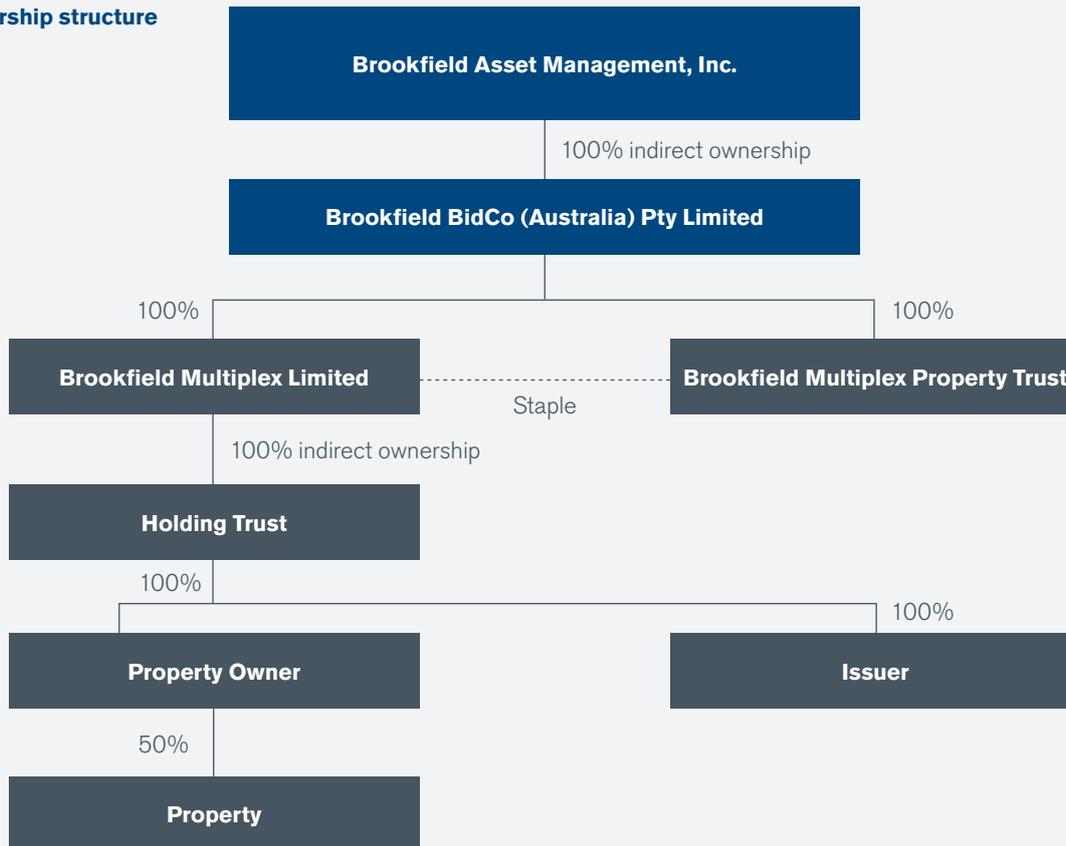
If you are a Broker Firm Applicant and you are in doubt, you should immediately contact your Syndicate Broker.



# Section 3

## About the Issuer and the Guarantor Security Providers

### 3.1 Ownership structure



#### 3.1.1 About the Issuer

Brookfield Secured Bonds Series B Issuer Limited (ABN 44 139 569 529) is a special purpose company that is an indirect wholly owned subsidiary of Brookfield Multiplex Limited. All the shares in the Issuer are held by the Holding Trust.

#### 3.1.2 About Brookfield Multiplex Group

Brookfield Multiplex Group is a fully integrated property, funds management and infrastructure business with activities in construction, commercial, retail and residential property, property management services, and infrastructure.

Following the acquisition of Multiplex by Brookfield Asset Management Inc., the Multiplex Group de-listed from the ASX in December 2007 and in January 2008 became a wholly owned subsidiary of Brookfield Asset Management Inc. (**Brookfield**).

#### 3.1.3 About Brookfield

Brookfield is a global asset management company with a primary focus on property, power and infrastructure assets with approximately US\$80 billion of assets under

management. It is publicly listed on the New York Stock Exchange (NYSE), Toronto Stock Exchange (TSX) and Euronext Amsterdam under the symbol BAM, BAM.A and BAMA, respectively.

Brookfield has major operations in North and South America, Europe and Australia and employs 14,000 people globally.

Brookfield has a 100 year history of owning and operating real estate assets and globally has US\$26 billion of capital invested in office assets (94%) and retail assets (6%).

Through the acquisition of the Multiplex Group in January 2008, Australia is well represented in Brookfield's global office real estate portfolio, with approximately 20% of its global net invested capital invested in Australia.

No member of the Brookfield Group (other than the Issuer and Guarantor Security Providers) has any obligation to pay interest on or to Redeem BSB-sB.

#### 3.1.4 About the Guarantor Security Providers

The Property Owner and the Holding Trust are indirectly wholly owned by Brookfield Multiplex Limited.

### 3.2 Cash flow payment structure



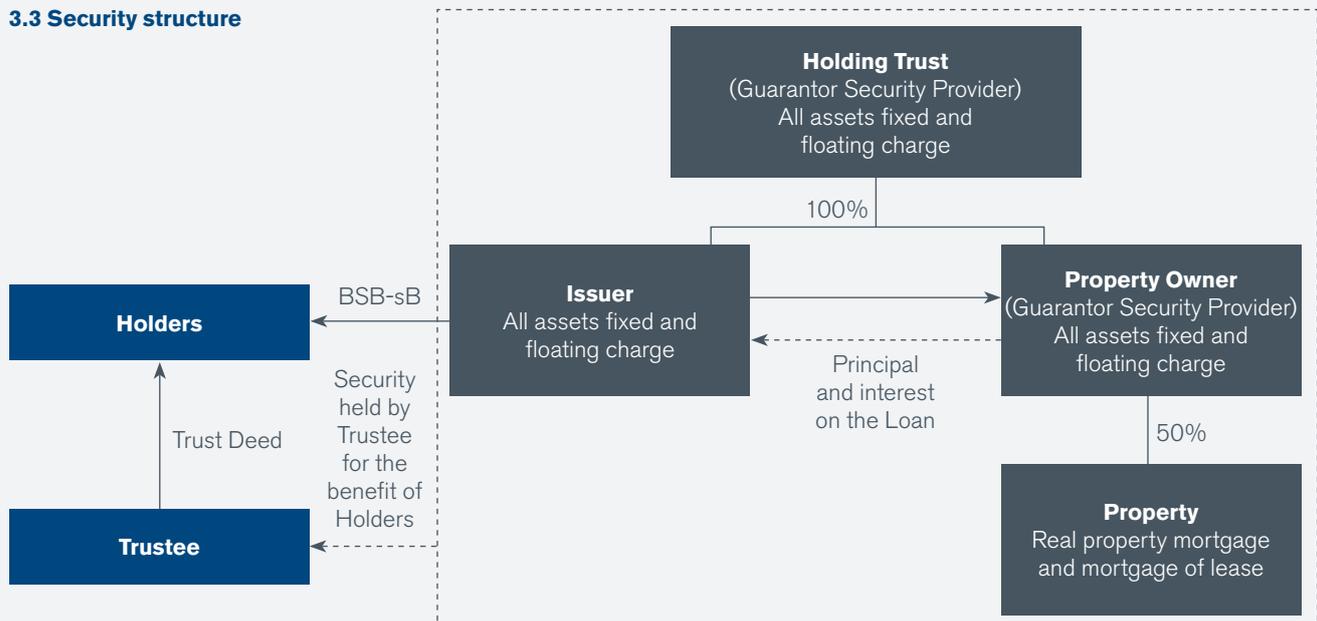
#### 3.2.1 Issuer Loan

The Issuer will use the proceeds raised from issuing BSB-sB to make the Loan to the Property Owner. The proceeds of the Loan will be used to repay an intercompany loan with Brookfield Multiplex Group, which will in turn use the proceeds to repay existing bank debt secured against the Property Owner's 50% interest in the Property. The obligation of the Property Owner to pay interest on and repay principal owing under the Loan supports the Issuer's obligation to pay interest on and ultimately Redeem BSB-sB.

The Property Owner will use the rent (net of certain expenses and taxes including rent payable by it in respect of the Car Park Lease) it receives from its 50% interest in the Property to finance its obligations to pay interest on the Loan. The Property Owner will need to refinance the Loan in order to repay the Loan and enable the Issuer to Redeem BSB-sB on the Maturity Date or a Redemption Date.

Under the terms of the Loan, the Property Owner is required to pay all of the Issuer's ongoing costs relating to BSB-sB. Costs relating to the initial issue of BSB-sB will be borne by Brookfield Multiplex Limited (see Section 8.11).

### 3.3 Security structure



## About the Issuer and the Guarantor Security Providers continued

### 3.3.1 Components of the Security

The Issuer's obligation to pay interest on and Redeem BSB-sB will be secured by the Security.

The Security will be over all of the assets of each of the Issuer, the Property Owner and the Holding Trust and will comprise the following:

1. **Property Owner Mortgage:** a first ranking mortgage over the Property Owner's 50% interest in the Freehold Property;
2. **Property Owner Mortgage of Lease:** a first ranking mortgage of lease over the Property Owner's 50% interest in the Car Park Lease;
3. **Property Owner Charge:** a first ranking charge over all the assets of the Property Owner, including its right to receive rental income from the Property Owner's 50% interest in the Property;
4. **Issuer Charge:** a first ranking charge over all the assets of the Issuer, including its rights to receive interest and principal on the Loan; and
5. **Holding Trust Charge:** a first ranking charge over all the assets of the Holding Trust, including Units issued by the Property Owner and the shares issued by the Issuer.

### 3.3.2 Limited Recourse Security

The liability of the Issuer and the Guarantor Security Providers in respect of BSB-sB is limited recourse. This means that all claims against the Issuer or the Guarantor Security Providers in respect of BSB-sB can be satisfied only out of the Security and are limited in recourse to distributions from the Security from time to time.

The realisation of the Security, following enforcement of the Security, and its application towards the secured money constitutes a complete discharge of the Issuer's and each Guarantor Security Provider's liability to the Trustee and each Holder in connection with BSB-sB.

If sufficient funds are not realised from the Secured Property to discharge in full the obligations of the Issuer and the Guarantor Security Providers in respect of BSB-sB, no further claims may be made by the Holders or the Trustee against the Issuer or the Guarantor Security Providers in respect of the shortfall in the amount owing to the Holders in respect of BSB-sB. This includes bringing legal proceedings against the Issuer or the Guarantor Security Providers or applying to have the Issuer or the Guarantor Security Providers wound up.

### 3.3.3 Collection Account

The Property Owner has agreed to deposit all the rent, collections and other income received by it (including any business interruption insurance proceeds) (net of certain expenses and taxes including rent payable by it in respect of the Car Park Lease) in respect of its 50% interest in the Property into the Collection Account within five Business Days of receipt. Rental receipts received by the Property Owner will be net of certain expenses, including:

- insurance expense in respect of the Property;
- certain fees (for example, the Property Manager fee);
- budgeted maintenance capital expenditure; and
- rent payable by it in respect of the Car Park Lease.

The Collection Account is a bank account in the name of the Issuer (with the Trustee as the sole signatory). Amounts deposited into the Collection Account must be applied in accordance with the Trust Deed (including towards meeting amounts due and payable in respect of BSB-sB).

The Lease commences on 12 November 2009. Due to the three month rent free period (applicable only to the mailroom and levels 1 to 20 of the office floors), payment of rent under the Lease commences on 12 February 2010. To ensure sufficient proceeds are available to satisfy all interest payable in respect of BSB-sB for the period in which no rent is being paid, Brookfield Multiplex Group lends \$1.268 million to the Property Owner on an unsecured basis who in turn will on or before the Issue Date, deposit cash equivalent to the interest payable under BSB-sB from the Issue Date to the end of the rent free period being 12 February 2010 into the Collection Account. This money will be used towards satisfying the interest payable in respect of BSB-sB.

### 3.3.4 Priority

Prior to an Event of Default and enforcement of the Security, the Issuer must, on each Interest Payment Date, apply the balance of the Collection Account in the following order of priority:

- first, in payment of all costs incurred by or other amounts owing to the Trustee under or in connection with the Transaction Documents;
- next, in or towards payment equally and rateably of all amounts owing in respect of BSB-sB; and
- next, the balance towards such purposes as the Issuer may determine.

Following an Event of Default and the enforcement of the Security, the Trustee must apply the balance of the Collection Account and any other amounts received by it in connection with the Transaction Documents in the following order of priority:

- first, to any person with a prior ranking claim to the extent of that claim;
- next, to any receiver appointed to the Secured Property for its costs and remuneration in connection with exercising, enforcing or preserving rights under or in connection with the Transaction Documents;
- next, in payment of all costs incurred by or other amounts owing to the Trustee under or in connection with the Transaction Documents;
- next, in or towards payment equally and rateably of all amounts owing in respect of BSB-sB; and
- next, in payment of the balance (if any) to the Issuer or the Guarantor Security Providers (as applicable).

### **3.3.5 Permitted Debt**

To ensure that no debt (or other) obligation (other than those mandatorily preferred by law and amounts owing to the Trustee in respect of its services and any enforcement costs) rank ahead of or equal to that of BSB-sB, the Issuer and each Guarantor Security Provider has undertaken not to incur any other debt unless it is Permitted Debt.

Permitted Debt is debt that is unsecured.

.....  
About the Issuer  
and the Guarantor  
Security Providers  
continued

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# Section 4



## About the Property

### 4.1 Overview

The Property Owner owns 50% of the freehold interest in an A grade office building known as Southern Cross West together with a 50% interest in the Car Park Lease (**Property**). The other 50% is held by MTAA Superannuation Fund (SXW) Property Pty Ltd (**Co-owner**), which is wholly owned by the MTAA Superannuation Fund.

The Property reached practical completion in August 2009 and is positioned within the eastern sector of the Melbourne Central Business District. The building provides basement car parking for 342 vehicles and storage space for up to 300 bicycles, ground floor retail and 20 upper levels of office accommodation.

### 4.2 Location

The Property occupies a prominent site with street frontages to Bourke Street, Little Collins Street and Exhibition Street, Melbourne. The Property is central to well established retail, entertainment and commercial office precincts. It is located close to Paramount Apartments, The Stamford Plaza hotel, Bourke Street Mall and the Chinatown restaurant precinct.

The site is readily accessed by road and public transport. Regular tram services operate along Collins Street south of the Property and Bourke Street west of Russell Street. Train services are available from Parliament Station located approximately 450 radial metres north east of the Property and Flinders Street Station located approximately 570 radial metres south west of the Property. In addition, bus services operate along Russell Street.

### 4.3 Income generation

A total of 97.7% of the Property is leased to a wholly owned subsidiary of the Commonwealth of Australia, being Australia Post, until 11 November 2019. Australia Post is rated AAA by Standard & Poor's. For a description of what this rating means, see Section 8.19.

The Lease commences on 12 November 2009. Due to the three month rent free period (applicable only to the mailroom and levels 1 to 20 of the office floors), payment of rent under the Lease commences on 12 February 2010. To ensure sufficient proceeds are available to satisfy all interest payable in respect of BSB-sB for the period in which no rent is being paid, Brookfield Multiplex Group lends \$1.268 million to the Property Owner on an unsecured basis who in turn will, on or before the Issue Date, deposit cash equivalent to the interest payable under BSB-sB from the Issue Date to the end of the rent free period, being 12 February 2010, into the Collection Account. This money will be used towards satisfying the interest payable in respect of BSB-sB.

### 4.4 Capital expenditure, repairs and maintenance

Given that the building reached practical completion in August 2009, there is no material capital expenditure expected for

the Property during the life of BSB-sB. To the extent that rectification of defects is required, this will be the responsibility of the Property Owner.

A technical due diligence report prepared by Risk Management Group Pty Ltd reports that \$95,000 of capital expenditure is expected to be incurred by the Property Owner and Co-owner over 2010, 2011 and 2012 and therefore limited capital and maintenance expenditure is expected to be required during the term of the BSB-sB.

### 4.5 Defects rectification

If Australia Post requests that the Property Owner rectify any defects, the Property Owner will look to the Builder to carry out this work. On 3 December 2007 the Property Owner entered into the D&C Contract with the Builder and pursuant to the terms of that agreement, the Builder is obliged, for a period of 53 weeks from the date the building reached practical completion, to rectify certain defects. In addition, if any rectification work is required for certain major items of plant and equipment, there will be a separate defects liability period of 53 weeks. If the Builder does not carry out the rectification work, then the Property Owner may have this work carried out at the Builder's expense.

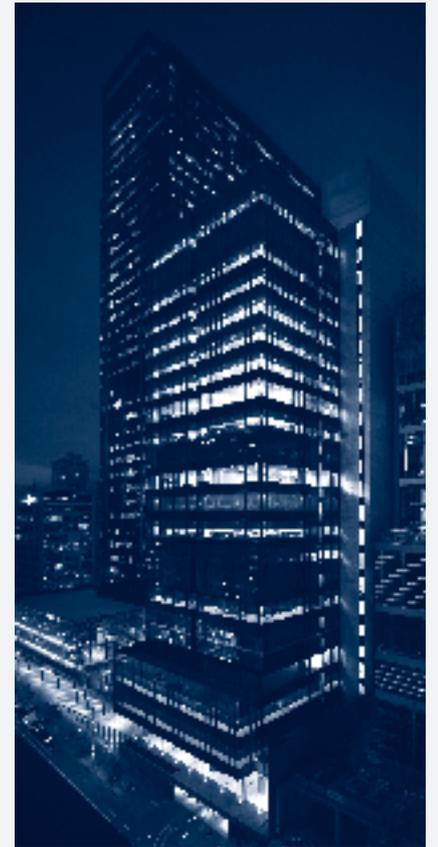
### 4.6 Property details

Property details	
<b>Location</b>	111 Bourke Street, Melbourne
<b>Property Owner's interest</b>	50%
<b>Completion date</b>	August 2009
<b>Net lettable area (sqm)</b>	
Retail	2,834
Office	44,533
Total	47,367
<b>Car parking spaces</b>	342
<b>Office occupancy</b>	100%

Valuation	
<b>Value (100%)</b>	\$223.5 million
<b>Value (50%)</b>	\$111.75 million <sup>1</sup>
<b>Valuer</b>	CBRE
<b>Valuation date</b>	30 September 2009
<b>Valuation cap rate</b>	7.75%

<sup>1</sup> This assumes the Property is fully leased. Based on the existing occupation arrangements the valuation is \$108.65 million (Section 4.10).





## About the Property continued

### 4.7 Overview of Lease

Set out below is a summary of the Lease in respect of the Property.

<b>Tenant</b>	Australia Post
<b>Leased premises</b>	97.7% of the Property is leased to the Tenant
<b>Lease term</b>	10 years, due to expire on or about 11 November 2019
<b>Option term</b>	Four additional periods of five years on initial lease expiry
<b>Outgoings</b>	The tenant is required to contribute to its proportionate share of outgoing expenses relating to the Property and all outgoing in relation to the premises, including rates and taxes and land tax (net lease)
<b>Rent review</b>	During the initial term, all rents are to be increased annually by 4.0%. For the car parking spaces the rent is subject to an annual market review
<b>Other</b>	The tenant is granted three months' net rent free from the commencement date of the lease (12 November 2009), (applicable only to the mailroom and levels 1 to 20 of the office floors)

### 4.8 Property Manager

Brookfield Multiplex Services Pty Ltd (**Property Manager**), a related body corporate of the Issuer, has been appointed property manager of the Property. The successful operation of a property is dependent on the performance and viability of the person who manages the relevant property. The Property Manager is responsible for responding to changes in the local market and advising the Landlord so that maintenance and capital improvements can be carried out in a timely fashion. For further details, see Section 8.9.

### 4.9 Overview of Property Insurance

The Issuer and the Property Owner are required to maintain insurance coverage in respect of the Property. The Trust Deed requires that:

1. the Property will be insured for its full replacement and reinstatement value; and
2. the Property will be insured for public liability.

The Property is currently insured for the following loss:

- the reinstatement costs of the building;
- business interruption that covers gross rentals, car parking rentals and building outgoing;
- machinery breakdown in respect of both breakdown and consequential loss of rent; and
- public insurance liability with respect to property and personal injury claims.

#### 4.10 Overview of Independent Valuation



#### CB Richard Ellis (V) Pty Ltd

Licensed Estate Agent  
ABN 15 083 694 357

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525 Collins Street  
Melbourne VIC 3000

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30 September 2009

The Directors  
Brookfield Secured Bonds Series B Issuer Limited  
1 Kent Street  
Millers Point NSW 2000

Dear Sirs

#### Summary of Valuation Report

**50% Interest, Southern Cross West, 111 Bourke Street, Melbourne Victoria 3000**

#### Instructions

CB Richard Ellis (V) Pty Ltd accepted instructions dated 28 September 2009 to prepare a market Valuation for the interest in the property listed above. The Valuation is to be relied upon for Prospectus purposes only and is specifically addressed for use and reliance upon by the parties named above. The Valuation is prepared in accordance with the Australian Property Institute Australia and New Zealand Valuation and Property Standards June 2008, having regard to ANZVGN 8, Valuations for use in Offer Documents. The instructions specifically request us to provide our opinion of the market value of the 50% interest in the property as at 30 September 2009 on the following basis:

1. Market Value "As If Complete" assuming fully leased and assuming all rent fees, rental voids and incentives are paid in full.
2. Market Value "As Is" subject to existing occupation arrangements.

CB Richard Ellis (V) Pty Ltd has been requested to provide a full Valuation Report in addition to this Summary Letter for inclusion in the Prospectus document. In accordance with ANZVGN 8, our full Valuation Report draws attention to the key issues and considerations impacting value and provides a detailed Property Risk Assessment and SWOT Analysis, plus the report details our Critical Assumptions, Assumptions, Disclaimers, Limitations and Qualifications and our Recommendations. As commercial investments of this nature are inherently complex and the market conditions have changed and/or have been uncertain in recent times, it is considered prudent to consider the entire content of our full Valuation Report. Therefore, we advise that this letter is to be read in concert with the said full Valuation Report. We accept no responsibility for reliance upon this letter in isolation. We refer the reader to Brookfield Secured Bonds Series B Issuer Limited to obtain a copy of our full Valuation Report.

#### Brief Description of the Property and Tenancy

Southern Cross West Tower, forms the second and final office tower of the Southern Cross Development. The building is new with practical completion achieved on the 19 August 2009. The building comprises ground level retail accommodation, activating the Bourke Street, Southern Cross Lane and Little Collins Street frontages, a generously proportioned ground floor lobby and 20 upper levels of office accommodation, with typical office floor plates in the order of 2,200 sqm. The building is classed as A Grade and will seek to achieve a 4.5 star NABERS rating.

No car parks are owned in conjunction with the interest. However, a 99 year lease plus 99 year option exists over 342 basement car spaces within the development (Lot 3). These are subject to a market rent liability which is reviewed annually each year to market.

Australia Post pre-committed to all the office accommodation for a 10 year term, with the lease commencing on 12 November 2009. The lease is subject to 4% annual increases. Australia Post's occupancy represents 97.71% of the building's NLA and contributes to 94.42% of the assets Gross Income. The retail accommodation is partially let, with tenants including, Apres Midi, Nashi Corporation Pty Ltd, Spoilt Gifts and Kinitochi, with 5 tenancies (590.2 sqm) representing 2.56% of Gross Income yet to be leased.

Of the 342 bays basement car parking bays within the development, Australia Post leases 318 spaces, whilst the balance 24 bays have been converted and are utilised for bicycle stores, change rooms and mail room for use by Australia Post.

#### Market Instability

The current crisis in the global financial system, including the failure or rescue of major banks and financial institutions, has created a significant degree of uncertainty in commercial real estate markets across the world. In this environment, it is possible that prices and values could go through a period of heightened volatility whilst the market absorbs the various issues and reaches its conclusions. The lack of liquidity in the capital markets means that it may be difficult to achieve a successful sale of the 50% interest in the asset in the short term or within a shortened selling period and we would recommend that the situation and the valuation are kept under regular review and specific marketing advice is obtained should a disposal of the interest be contemplated.

#### Critical Assumptions and Reliance on Information Provided

A summary of select Critical Assumptions noted in the full Valuation Report are noted as follows:

- Our valuation is for a 50% interest in the asset known as 111 Bourke Street, Melbourne (Lot 2 on PS514734M).
- According to our instructions, the property is to be valued as at 30 September 2009, while our inspection of the property was on 25 September 2009. Accordingly, whilst the indicated reporting date is post the date of the inspection, the valuation is predicated on market conditions and the physical conditions of the improvements as at the date of the inspection remaining unchanged.
- Our valuation calculations include rental growth assumptions throughout a defined cash flow period. These assumptions have been based on prevailing economic and market conditions as at the date of valuation. Market conditions will change over time influenced by internal and external factors against which a review of the assumptions may be warranted. Therefore reliance upon these projections must be made with full acceptance of their limited reliability and with due consideration of the commercial risks related to such forecasts. The Discounted Cashflow method of valuation referred to in the Valuation Report has been undertaken for the purpose of assisting in the determination of the current market value of the interest in the property and we make no guarantees or warranty as to the accuracy of future rental income stream projections, as these can be impacted by a combination of unforeseen circumstances.
- We have relied upon information provided by Brookfield Multiplex at both the time of this instruction and when completing our prior assignment as at 19 August 2009.
- Our valuation is based upon the most current information available at the time the valuation was prepared. CBRE accepts no responsibility for subsequent changes in information as to income, expenses or market conditions. Any subsequent change in lease terms will also have a corresponding change to the value.
- The value "As If Complete" assessed is the Market Value of the interest in the asset as detailed in our report, and as at the date of our report, on the assumption that all existing vacant tenancies are fully leased at the market rents assessed assuming therefore the asset is fully leased. In addition, we have been specifically requested to assume all rental voids (until lease commencement), rent

free periods and incentives provided to existing tenants and proposed tenants for current vacant accommodation are paid out in full. The valuation reflects the valuer's view of the market conditions existing as at the date of this report and does not purport to predict the market conditions and the value at the actual completion of the leasing program because of time lag. Accordingly, the "As If Complete" valuation should be confirmed by the valuer, initiated and instructed by those relying upon this advice, on completion of the leasing campaign. The right is reserved to review and if necessary, vary the valuation in this report if there are any changes in relation to the outcomes achieved or in the property market conditions and prices.

- We have relied upon the executed Heads of Agreement provided in respect of the following retail tenancies: K D gateway Pty Ltd, T/A Kenny's Bakery Café, Peter Chan, T/A Kinitochi, Nashi Corporation Pty Ltd, T/A Nashi, Noodle Box Pty Ltd, T/A Noodle Box, Apres-Midi and Spoilt Gift and Homewares Pty Ltd. We assume these agreements will form the basis of binding leases and where the Retail Leases Act applies, that the Lessor has fulfilled their statutory requirements.
- We have been requested to assume a lease commencement date of 1 November 2009 for the retail leases.
- Our valuation assumes that any unexecuted Leases and Licences will be executed by all parties.
- The property achieved practical completion (subject to minor defect rectification) on 19 August 2009. We anticipate a 53 week warranty period will be satisfactory to identify all minor and major defects.
- In the current market it is our view that a 6 to 9 month marketing period may be required to effect a disposal of the interest in the asset assuming a professional marketing campaign.

#### Report Content

Our full Valuation Report, in addition to the content noted earlier, contains detailed information and description pertaining to; Instructions, Use and Reliance, Site Details including Location, Legal, Environmental and Town Planning; and Building Improvements along with analysis of the asset's Occupational and Financial attributes. This is followed by a comprehensive Economic, Investment Market and Melbourne Commercial Office Market Overview and details of the sales evidence regarded, along with our Investment Considerations. Finally, the report considers the value and marketability of Partial Interests and comments on the Future Value Prospects for the asset. We again refer the reader of this letter to the content of our full Valuation Report for detail in respect of the above items.

#### Valuation Rationale

In arriving at our opinion of market value in accordance with the instructions, we have placed primary emphasis on the capitalisation of market net income approach and where appropriate have also adopted discounted cashflow analysis. A detailed explanation of the assets investment credentials and the application of the discounted cashflow and capitalisation of market and/or passing income methodology is provided in the full Valuation Report.

#### Valuation Summary

In accordance with the instructions, we summarise our valuation conclusions for the 50% interest in Southern Cross West, 111 Bourke Street, Melbourne as at 30 September 2009 as follows:

1. Market Value "As If Complete" assuming fully leased and assuming all rent fees, rental voids and incentives are paid in full.  
**\$111,750,000** (One hundred and eleven million, seven hundred and fifty thousand dollars),  
GST exclusive
2. Market Value "As Is" subject to existing occupation arrangements.  
**\$108,650,000** (One hundred and eight million, six hundred and fifty thousand dollars), GST exclusive

The following tables outline our Valuation Conclusions, Assumptions and Tenancy Profiles as at 30 September 2009.

<b>VALUATION SUMMARY – Market Value “As If Complete” assuming fully leased and all rent fees, rental voids and incentives are paid in full</b>			
<b>Date of Valuation</b>	<b>30 September 2009</b>		
Valuation Approaches	Capitalisation & DCF		
Net Lettable Area (sqm)	47,367.0		
<b>Market Value 100% Interest</b>	<b>\$223,500,000</b>		
<b>Market Value 50% Interest</b>	<b>\$111,750,000</b>		
Net Passing Income fully leased	\$15,845,290	\$335	psm
Net Passing Income	\$15,845,290	\$335	psm
Net Market Income	\$17,605,684	\$372	psm
Average Gross Market Rent (Office)	\$460		psm
Average Gross Market Rent (Retail)	\$583		psm
Outgoings	\$96		psm
Capitalisation Rate	7.75%		
Terminal Yield	7.75%		
Target IRR (Discount Rate)	9.25%		
Ten Year IRR (Indicated)	9.69%		
Passing Initial Yield	7.09%		
Value psm of NLA	\$4,718		psm
Reversionary Yield	7.88%		
Percentage Over/Under Rented	-10.00%		
Current Vacancy Rate	Nil		
<b>VALUATION ASSUMPTIONS</b>			
CPI (Access) 10yr Avg	2.38%		
Market Rent Growth 10yr Avg (gross)	3.80%		(office)
Market Rent Growth 10yr Avg (gross)	2.90%		(retail)
Effective Rent Growth 10yr Avg (gross)	4.70%		
Outgoing Escalation 10yr Avg	2.38%		
Renewal Probability Year 1	50%		
Leasing Up Period Yr 1 (Office/Retail)		3	mths
Incentives Yr 1 (Office/Retail)	20.0%	12	mths
Lessors Works/Make Good (\$psm)	\$75/sqm		
Refurbishment Allowance	\$5,992,362	\$127	psm
Total Capital Expenditure (Yrs 1 to 11)	\$10,617,333	\$224	psm
<b>TENANT PROFILE</b>			
	<b>Area (sqm)</b>	<b>Passing Gross Rent</b>	<b>Expiry</b>
Australian Postal Corporation	46,280.1	\$19,595,473	Nov-19
Retailer 3	179.3	\$125,510	Oct-14
Retailer 4	169.7	\$135,760	Oct-14
Apres Midi	123.2	\$160,000	Oct-14
Spoilt Gifts	97.9	\$82,500	Oct-14
Other Office Tenants			
Other Retail Tenants	516.8	\$653,920	5.8 yrs
Monthly			
Vacant			
<b>Total</b>	<b>47,367.0</b>	<b>\$20,753,163</b>	<b>9.9 yrs</b>

Note: Gross rents include outgoings recovery (where applicable). Market rent shown for vacancies.

50% Interest, Southern Cross West, 111 Bourke Street, Melbourne

<b>VALUATION SUMMARY – Market Value “As Is” subject to existing occupation arrangements</b>			
<b>Date of Valuation</b>	<b>30 September 2009</b>		
Valuation Approaches	Capitalisation & DCF		
Net Lettable Area (sqm)	47,367.0		
<b>Market Value 100% Interest</b>	<b>\$217,300,000</b>		
<b>Market Value 50% Interest</b>	<b>\$108,650,000</b>		
Net Passing Income fully leased	\$15,845,290	\$335 psm	
Net Passing Income	\$15,296,295	\$323 psm	
Net Market Income	\$17,604,444	\$372 psm	
Average Gross Market Rent (Office)	\$460	psm	
Average Gross Market Rent (Retail)	\$583	psm	
Outgoings	\$96	psm	
Capitalisation Rate	7.75%		
Terminal Yield	7.75%		
Target IRR (Discount Rate)	9.25%		
Ten Year IRR (Indicated)	9.70%		
Passing Initial Yield	7.04%		
Value psm of NLA	\$4,588	psm	
Reversionary Yield	8.10%		
Percentage Over/Under Rented	-13.11%		
Current Vacancy Rate	1.25%		
<b>VALUATION ASSUMPTIONS</b>			
CPI (Access) 10yr Avg	2.38%		
Market Rent Growth 10yr Avg (gross)	3.80%	(office)	
Market Rent Growth 10yr Avg (gross)	2.90%	(retail)	
Effective Rent Growth 10yr Avg (gross)	4.70%		
Outgoing Escalation 10yr Avg	2.38%		
Renewal Probability Year 1	50%		
Leasing Up Period Yr 1 (Office/Retail)	3 mths	3 mths	
Incentives Yr 1 (Office/Retail)	20.0%	12 mths	
Lessors Works/Make Good (\$psm)	\$75/sqm		
Refurbishment Allowance	\$5,992,362	\$127 psm	
Total Capital Expenditure (Yrs 1 to 11)	\$10,619,211	\$224 psm	
<b>TENANT PROFILE</b>			
	<b>Area (sqm)</b>	<b>Passing Gross Rent</b>	<b>Expiry</b>
Australian Postal Corporation	46,280.1	\$19,595,473	Nov-19
Apres Midi	123.2	\$160,000	Oct-14
Spoilt Gifts	97.9	\$82,500	Oct-14
Nashi Corporation Pty Ltd	74.2	\$88,000	Oct-14
Kinitochi	72.6	\$90,000	Oct-17
Other Office Tenants			
Other Retail Tenants	128.8	\$188,195	6.0 yrs
Monthly			
Vacant	590.2	\$548,995	
<b>Total</b>	<b>47,367.0</b>	<b>\$20,753,163</b>	<b>10.0 yrs</b>

Note: Gross rents include outgoings recovery (where applicable). Market rent shown for vacancies.

50% Interest, Southern Cross West, 111 Bourke Street, Melbourne

We note the variation in valuation outcomes above is associated with the capital adjustments made to the 'As Is' value for letting allowances, agent's commission and incentive allowances associated with the unleased retail accommodation, plus the outstanding cash and rent free incentives pertaining to the existing retail tenants and Australia Post. In addition, we have made an allowance for the rental shortfall between the Valuation date (30 September 2009) and the lease commencement dates, i.e. 1 November 2009 for the retail tenants and 12 November 2009 for Australia Post.

#### Consent

CB Richard Ellis (V) Pty Ltd provides its consent for the inclusion of this Summary Letter within the Prospectus for Brookfield Secured Bonds Series B subject to Brookfield Secured Bonds Series B Issuer Limited making recipients of the Prospectus aware of the following liability disclaimers.

#### Liability Disclaimer

- (a) CB Richard Ellis (V) Pty Ltd is not operating under an Australian Financial Services Licence when providing the full Valuation Report or this Summary Letter and those documents do not constitute financial product advice. Investors should consider obtaining independent advice from their financial advisor before making any decision to invest in/with Brookfield Secured Bonds Series B/Issuer Limited.
- (b) CB Richard Ellis Pty Ltd disclaims any liability to any person in the event of an omission from, or false and misleading statements included in the Prospectus, other than in respect to this Summary Letter and the full Valuation Report.
- (c) The full Valuation Report and this Summary Letter are strictly limited to the matters contained within those documents, and are not to be read as extending, by implication or otherwise, to any other matter in the Prospectus. Without limitation to the above, no liability is accepted for any loss, harm, cost or damage (including special, consequential or economic harm or loss) suffered as a consequence of fluctuations in the real estate market subsequent to the date of valuation.
- (d) Neither this Summary Letter nor the full Valuation Report may be reproduced in whole or in part without prior written approval of CB Richard Ellis (V) Pty Ltd.
- (e) CB Richard Ellis (V) Pty Ltd charges a professional fee for producing valuation report, and the fee paid by Brookfield Multiplex for the full Valuation Report and this Summary Letter was \$16,500 inclusive of GST.
- (f) CB Richard Ellis (V) Pty Ltd has prepared the full Valuation Report and this Summary Letter on the basis of, and limited to, the financial and other information (including market information and third party information) is accurate, reliable and complete and confirm that we have not tested the information in that respect.
- (g) This Summary Letter is to be read in conjunction with our full Valuation Report dated 30 September 2009 and is subject to the Assumptions, Limitations, Disclaimers and Qualifications contained therein. We refer the reader to Brookfield Secured Bonds Series B Issuer Limited to obtain a copy of the full report.
- (h) We confirm that the valuer does not have a pecuniary interest that would conflict with a proper valuation of the interest in the property.
- (i) This document is for the sole use of persons directly provided with it by CB Richard Ellis (V) Pty Ltd. Use by, or reliance upon this document by anyone other than those parties named above is not authorised by CB Richard Ellis (V) Pty Ltd and CB Richard Ellis (V) Pty Ltd is not liable for any loss arising from such unauthorised use or reliance.

Yours sincerely  
CB Richard Ellis Pty Ltd



Peter Fay  
Senior Director – Valuation & Advisory Services



.....  
Summary  
Financial  
Information  
.....

## Section 5



# Summary Financial Information

## 5.1 Introduction

As set out in Sections 1 and 2, the structure of the Offer implies the following:

- the Issuer will raise \$65 million by issuing 650,000 BSB-sB at \$100 per BSB-sB;
- the Interest Rate will be a fixed rate of 8.79% per annum;
- the Offer proceeds will be used by the Issuer to make a Loan to the Property Owner. The Property Owner will use the proceeds to repay an intercompany loan with Brookfield Multiplex Group, which will in turn use the proceeds to repay existing bank debt secured against the Property Owner's 50% interest in the Property. The payment obligations of the Property Owner under the Loan will match the payment obligations of the Issuer on BSB-sB; and
- other than interest revenue on the Loan to the Property Owner, payment of interest to Holders, and ongoing expenses relating to BSB-sB, the Issuer will have no other revenue or expenses. Under the terms of the Loan, the Property Owner must pay all the Issuer's ongoing costs in relation to the BSB-sB.

The Financial Information contained in this section comprises the following historical and pro forma financial information of the Issuer and the Property Owner:

- the pro forma balance sheet of the Issuer as at 1 October 2009 assuming that the Offer was completed at that date;
- the pro forma cash earnings statement for the Property Owner for the six month periods to 30 June 2010, 31 December 2010 and 30 June 2011; and
- the pro forma balance sheet of the Property Owner as at 1 October 2009 assuming the Offer was completed at that date,

collectively the "**Financial Information**".

## Presentation of Financial Information

The Financial Information was prepared under the recognition and measurement principles of Australian Accounting Standards issued by the Australian Accounting Standards Board and the *Corporations Act*.

The Financial Information is presented in an abbreviated form and does not contain all the disclosures that would be found in an annual report prepared in accordance with the *Corporations Act*.

The Financial Information in this section should be read in conjunction with the risk factors in Section 6 and other information contained in this Prospectus.

PricewaterhouseCoopers Securities Ltd has prepared an Investigating Accountant's Report in respect of the Financial Information included in this section. The report is included in Section 5.4.

## Basis of preparation

The pro forma balance sheet of the Property Owner as at 1 October 2009 was derived from the unaudited special purpose financial statements of the Property Owner at that date. The Issuer was incorporated for the sole purpose of the Offer and does not have any substantive historical financial transactions prior to the Offer. The pro forma balance sheet of the Issuer and the Property Owner reflects the balance sheet as if impacted by the Offer at 1 October 2009.

The Financial Information presented in this Prospectus has been prepared for illustrative purposes and for use in this Prospectus only. It has been assumed that no change in applicable Australian Accounting Standards nor the *Corporations Act* will occur that may have a material effect on the Financial Information. The Financial Information is based on circumstances at the date of this Prospectus and an assessment of the present economic and operating conditions and may not be representative of future events and actions.

## 5.2 Selected financial information for the Issuer

### 5.2.1 Pro forma cash earnings statement of the Issuer

Following the issue, the Issuer's cash earnings statement will reflect an interest receipt from the Property Owner with an equal and opposite interest payment to the Holders.

The Issuer is expected to have no other income or expenses except for ongoing expenses relating to BSB-sB, which, under the terms of the Loan, must be paid by the Property Owner.

### 5.2.2 Pro forma balance sheet of the Issuer

The table below sets out, for illustrative purposes only, the pro forma balance sheet as at 1 October 2009 assuming the Offer was completed on that date. It reflects the impact of the issue of BSB-sB as though the Offer was completed and 650,000 BSB-sB were issued on that date, raising \$65 million.

	Pro forma \$'000
<b>Current assets</b>	
Cash and cash equivalents	1,268
<b>Total current assets</b>	<b>1,268</b>
<b>Non-current assets</b>	
Receivable from the Property Owner	65,000
<b>Total non-current assets</b>	<b>65,000</b>
<b>Total assets</b>	<b>66,268</b>
<b>Current liabilities</b>	
Loan from the Property Owner	1,268
<b>Total current liabilities</b>	<b>1,268</b>
<b>Non-current liabilities</b>	
Interest bearing loans and borrowings	65,000
<b>Total non-current liabilities</b>	<b>65,000</b>
<b>Total liabilities</b>	<b>66,268</b>
<b>Net assets</b>	<b>-</b>
<b>Equity</b>	
Issued capital	-
Retained profits at the end of the period	-
<b>Total equity</b>	<b>-</b>

The Issuer's pro forma balance sheet as set out above is based on the following assumptions:

- issue of 650,000 BSB-sB at a Face Value of \$100;
- all proceeds of the Offer are paid to the Property Owner under the Loan;
- ordinary shares of \$10 were issued upon incorporation of the Issuer;
- \$1.268 million was deposited into the Collection Account for the interest accrued on the BSB-sB during the 81 day period from issue of the BSB-sB to the expiration of the rent free period under the terms of the lease with Australia Post. Any shortfall of interest accrued during this period will be paid by the Property Owner on the first Interest Payment Date of the BSB-sB.
- all costs associated with the Offer are paid by Brookfield.

# Summary Financial Information continued

## 5.3 Selected financial information for the Property Owner

### 5.3.1 Pro forma cash earnings statement of the Property Owner

	6 months to 30 June 2010 \$000	6 months to 31 December 2010 \$000	6 months to 30 June 2011 \$000
Rental Recoveries	4,094	4,144	4,258
Total property receipts	5,417	5,467	5,703
Expenses	(1,328)	(1,420)	(1,499)
<b>Net Operating Income (NOI)</b>	<b>4,089</b>	<b>4,047</b>	<b>4,204</b>
Interest expense @ 8.79%	(2,833)	(2,880)	(2,833)
Capital expenses	–	–	–
<b>NOI less interest and capital expenses</b>	<b>1,256</b>	<b>1,167</b>	<b>1,371</b>
<b>Interest Cover Ratio (ICR)</b>	<b>1.4x</b>	<b>1.4x</b>	<b>1.5x</b>

The Property Owner's pro forma cash earnings statement as set out above is based on the following assumptions:

- cash earnings from rental and parking have been forecast from 1 January 2009 as if they were to commence on that date under the Lease (the Lease commenced 12 November 2009 on the terms of the Agreement for Lease). Actual rentals under the Lease are to commence from 12 February 2010;
- cash recoveries are calculated by reference to the level of expenses and in accordance with the rights under the Lease;
- the interest expense for the six months to 30 June 2010, 31 December 2010 and 30 June 2011 has been calculated at an Interest Rate of 8.79% per annum;
- no capital expenses are assumed in the forecast period; and
- the Interest Cover Ratio (ICR) is calculated as Net Operating Income (NOI) divided by interest expense.

The Lease, with Australia Post, expires in November 2019 with the lease providing for fixed annual increases in rent by 4.0% per annum until November 2019. BSB-sB interest payable is fixed to the Maturity Date.

The ICR shows that the NOI is forecast to be at least 1.4x the total interest accruing under BSB-sB for the six month periods to 30 June 2010, 31 December 2010 and 30 June 2011.

### 5.3.2 Pro forma balance sheet of the Property Owner

The table below sets out, for illustrative purposes only, the pro forma balance sheet as at 1 October 2009. It reflects the impact of the issue of BSB-sB as though the Offer was completed and 650,000 BSB-sB were issued on 1 October 2009, raising \$65 million.

	1 October 2009 \$000	Adjustment \$000	1 October 2009 \$000
<b>Current assets</b>			
Cash and cash equivalents	388	–	388
Trade and other receivables	488	–	488
Loan to the Issuer	–	1,268	1,268
<b>Total current assets</b>	<b>876</b>	<b>1,268</b>	<b>2,144</b>
<b>Non-current assets</b>			
Investment property	111,750	–	111,750
<b>Total non-current assets</b>	<b>111,750</b>	<b>–</b>	<b>111,750</b>
<b>Total assets</b>	<b>112,626</b>	<b>1,268</b>	<b>113,894</b>
<b>Current liabilities</b>			
Loan from Brookfield Multiplex Group	–	1,268	1,268
Intercompany payables	65,000	(65,000)	–
<b>Total current liabilities</b>	<b>65,000</b>	<b>(63,732)</b>	<b>1,268</b>
<b>Non-current liabilities</b>			
Payable to Issuer	–	65,000	65,000
<b>Total non-current liabilities</b>	<b>–</b>	<b>65,000</b>	<b>65,000</b>
<b>Total liabilities</b>	<b>65,000</b>	<b>1,268</b>	<b>66,268</b>
<b>Net assets</b>	<b>47,626</b>	<b>–</b>	<b>47,626</b>
<b>Equity</b>			
Issued capital	46,546	–	46,546
Retained profits at the end of the period	1,079	–	1,079
<b>Total equity</b>	<b>47,626</b>	<b>–</b>	<b>47,626</b>

The Property Owner's pro forma balance sheet as set out above is based on the following assumptions:

- issue of 650,000 BSB-sB at a Face Value of \$100 by the Issuer;
- the proceeds of the Offer are paid to the Property Owner under the Loan. The Property Owner will use the proceeds to repay an intercompany loan with Brookfield Multiplex Group who will in turn use the proceeds to repay existing bank debt secured against the Property Owner's 50% interest in the Property;
- Brookfield Multiplex Group lends \$1.268 million to the Property Owner on an unsecured basis who in turn pays it into the Collection Account for the interest accrued on the BSB-sB during the 81 day period from issue of the BSB-sB to the expiration of the rent-free period under the terms of the Lease. Any shortfall of interest accrued during this period will be paid by the Property Owner on the first Interest Payment Date of the BSB-sB; and
- investment property is accounted for at fair value and reflects the value of the Property assuming it is fully leased.

## 5.4 Investigating Accountant's Report



The Directors  
Brookfield Secured Bonds Series B Issuer Limited  
c/o Brookfield Multiplex Limited  
Level 4  
1 Kent Street  
Sydney NSW 2000

12 October 2009

**PricewaterhouseCoopers  
Securities Ltd  
ACN 003 311 617  
ABN 54 003 311 617  
Holder of Australian Financial  
Services Licence No 244572**

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Dear Directors

### **Investigating Accountant's Report on Historical and Forecast Financial Information and Financial Services Guide**

We have prepared this report on certain historical and forecast financial information of Brookfield Secured Bonds Series B Issuer Limited (the **Issuer**) and Multiplex SX West Tower Landowner Pty Ltd (the **Property Owner**) for inclusion in a prospectus dated on or about 12 October 2009 (the **Prospectus**) relating to the issue of fixed interest mortgage backed bonds (the **Bonds**) by the Issuer (the **Issue**). Expressions defined in the Prospectus have the same meaning in this report.

The nature of this report is such that it should be given by an entity which holds an Australian financial services licence under the *Corporations Act 2001*. PricewaterhouseCoopers Securities Ltd, which is wholly owned by PricewaterhouseCoopers, holds the appropriate Australian financial services licence. This report is both an Investigating Accountant's Report, the scope of which is set out below, and a Financial Services Guide, as attached at Appendix A.

#### **Scope**

The Issuer has requested PricewaterhouseCoopers Securities Ltd to prepare this Investigating Accountant's Report (the **Report**) covering the following information:

#### **Historical financial information**

- (a) Pro Forma Balance Sheet of the Property Owner as at 1 October 2009 reflecting the issue of the Bonds at that date assuming the offer of Bonds under the Prospectus is fully subscribed as set out in Section 5.3.2
- (b) Pro Forma Balance Sheet of the Issuer as at 1 October 2009 reflecting the issue of the Bonds at that date assuming the offer of Bonds under the Prospectus is fully subscribed as set out in Section 5.2.1

(collectively, the **Historical Financial Information**).

#### **Forecast financial information**

- (c) the forecast Pro Forma Cash Earnings Statement of the Property Owner for the 6 month periods ending 30 June 2010, 31 December 2010 and 30 June 2011 as set out in Section 5.3.1 (the **Forecasts**).

This Report has been prepared for inclusion in the Prospectus. We disclaim any assumption of responsibility for any reliance on this Report or on the Historical Financial Information or the Forecasts to which this Report relates for any purposes other than the purpose for which it was prepared.

**Scope of review of Historical Financial Information**

The Pro Forma Balance Sheet of the Property Owner set out in Section 5.3.2 of the Prospectus has been based on the unaudited special purpose financial statements of the Property Owner as at 1 October 2009 and incorporates such pro forma transactions as the Directors considered necessary to present the Historical Financial Information on a basis consistent with the Forecasts. The Issuer was incorporated for the sole purpose for the Offer and does not have any substantive historical financial information prior to the Offer. The Pro Forma Balance Sheet of the Issuer set out in Section 5.2.1 is at 1 October 2009 assuming completion of the Pro Forma Transactions at that date. The Directors are responsible for the preparation of the Historical Financial Information, including the determination of the Pro Forma Transactions and adjustments.

We have conducted our review of the Historical Financial Information in accordance with Australian Auditing Standards applicable to review engagements. We made such inquiries and performed such procedures as we, in our professional judgement, considered reasonable in the circumstances including:

- a review of work papers, accounting records and other documents;
- a review of the adjustments made to the Historical Financial Information;
- a review of the assumptions (which include the Pro Forma Transactions) used to compile the Pro Forma Balance Sheets of the Issuer and of the Property Owner;
- a comparison of consistency in application of the recognition and measurement principles under Australian Accounting Standards and other mandatory professional reporting requirements in Australia, and the accounting policies adopted by the Property Owner and the Issuer; and
- enquiry of Directors, management and others.

These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion on the Historical Financial Information.

**Review statement on Historical Financial Information**

Based on our review, which is not an audit, nothing has come to our attention which causes us to believe that:

- the Pro Forma Balance Sheets of the Property Owner and the Issuer have not been properly prepared on the basis of the Pro Forma Transactions;
- the Pro Forma Transactions do not form a reasonable basis for the Pro Forma Balance Sheets; and
- the Historical Financial Information, as set out in Sections 5.3.2 and 5.2.1 of the Prospectus, do not present fairly the historical and Pro Forma Balance Sheets of the Property Owner and the Issuer as at 1 October 2009, assuming completion of the Pro Forma Transactions

in accordance with the recognition and measurement principles prescribed under Australian Accounting Standards and other mandatory professional reporting requirements in Australia, and the accounting policies adopted by the Property Owner and the Issuer.

**Brookfield Multiplex Limited**  
**12 October 2009**

**Scope of review of Forecasts**

The Directors are responsible for the preparation and presentation of the Forecasts, including the best estimate assumptions (which include the Pro Forma Transactions) on which they are based.

Our review of the best estimate assumptions underlying the Forecasts was conducted in accordance with Australian Auditing Standards applicable to review engagements. Our procedures consisted primarily of enquiry and comparison and other such analytical review procedures as we considered necessary to form an opinion as to whether anything has come to our attention which causes us to believe that:

- (a) the best estimate assumptions do not provide a reasonable basis for the Forecasts;
- (b) in all material respects, the Forecasts are not properly prepared on the basis of the best estimate assumptions and presented fairly in accordance with the recognition and measurement principles prescribed in Australian Accounting Standards and other mandatory professional reporting requirements in Australia, and the accounting policies of the Property Owner; or
- (c) the Forecasts are unreasonable.

The Forecasts have been prepared by the Directors to provide investors with a guide to the Property Owner's potential future financial performance based upon the achievement of certain economic, operating, development and trading assumptions about future events and actions that have not yet occurred and may not necessarily occur. There is a considerable degree of subjective judgement involved in the preparation of Forecasts. Actual results may vary materially from the Forecasts and the variation may be materially positive or negative. Accordingly, investors should have regard to the description of investment risks set out in Section 6 of the Prospectus.

Our review of the Forecasts and the best estimate assumptions upon which the Forecasts are based is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards. A review of this nature provides less assurance than an audit. We have not performed an audit and we do not express an audit opinion on the Forecasts included in the Prospectus.

**Review statement on the Forecasts**

Based on our review of the Forecasts, which is not an audit, and the reasonableness of the best estimate assumptions giving rise to the Forecasts, nothing has come to our attention which causes us to believe that:

- (a) the best estimate assumptions set out in Section 5 of the Prospectus do not provide a reasonable basis for the Forecasts;
- (b) in all material respects, the Forecasts are not properly prepared on the basis of the best estimate assumptions and presented fairly in accordance with the recognition and measurement principles prescribed in Australian Accounting Standards and other mandatory professional reporting requirements in Australia, and the accounting policies of the Property Owner; or
- (c) the Forecasts are unreasonable.

The best estimate assumptions set out in Section 5 of the Prospectus are subject to significant uncertainties and contingencies often outside the control of the Property Owner. If events do not occur as assumed, actual results achieved by the Property Owner may vary significantly from the Forecasts. Accordingly, we do not confirm or guarantee the achievement of the Forecasts, as future events, by their very nature, are not capable of independent substantiation.

**Subsequent events**

Apart from the matters dealt with in this Report, and having regard to the scope of our Report, to the best of our knowledge and belief no material transactions or events outside of the ordinary course of business of the Issuer or Property Owner have come to our attention that would require comment on, or adjustment to, the information referred to in our Report or that would cause such information to be misleading or deceptive.

**Independence or disclosure of interest**

PricewaterhouseCoopers Securities Ltd does not have any interest in the outcome of the Issue other than the preparation of this Report and participation in due diligence procedures for which normal professional fees will be received.

**Liability**

PricewaterhouseCoopers Securities Ltd has consented to the inclusion of this Report in the Prospectus in the form and context in which it is included. The liability of PricewaterhouseCoopers Securities Ltd is limited to the inclusion of this Report in the Prospectus. PricewaterhouseCoopers Securities Ltd makes no representation regarding, and has no liability for, any other statements or other material in, or any omissions from, the Prospectus.

**Financial Services Guide**

We have included our Financial Services Guide as Appendix A to our Report. The Financial Services Guide is designed to assist retail clients in their use of any general financial product advice in our Report.

Yours faithfully



**Andrew Cloke**

Authorised Representative of  
PricewaterhouseCoopers Securities Ltd

This Financial Services Guide is dated 12 October 2009

**1. About us**

PricewaterhouseCoopers Securities Ltd (ABN 54 003 311 617, Australian Financial Services Licence no 244572) (**PwC Securities**) has been engaged by Brookfield Secured Bonds Series B Issuer Limited (**Issuer**) to provide a report in the form of an Independent Accountant's Report in relation to the Financial Information (**Report**) for inclusion in the Prospectus dated on or about 12 October 2009.

You have not engaged us directly but have been provided with a copy of the Report as a retail client because of your connection to the matters set out in the Report.

**2. This Financial Services Guide**

This Financial Services Guide (**FSG**) is designed to assist retail clients in their use of any general financial product advice contained in the Report. This FSG contains information about PwC Securities generally, the financial services we are licensed to provide, the remuneration we may receive in connection with the preparation of the Report, and how complaints against us will be dealt with.

**3. Financial services we are licensed to provide**

Our Australian financial services licence allows us to provide a broad range of services, including providing financial product advice in relation to various financial products such as securities, interests in managed investment schemes, derivatives, superannuation products, foreign exchange contracts, insurance products, life products, managed investment schemes, government debentures, stocks or bonds, and deposit products.

**4. General financial product advice**

The Report contains only general financial product advice. It was prepared without taking into account your personal objectives, financial situation or needs.

You should consider your own objectives, financial situation and needs when assessing the suitability of the Report to your situation. You may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence to assist you in this assessment.

**5. Fees, commissions and other benefits we may receive**

PwC Securities charges fees to produce reports, including this Report. These fees are negotiated and agreed with the entity who engages PwC Securities to provide a report. Fees are charged on an hourly basis or as a fixed amount depending on the terms of the agreement with the person who engages us. In the preparation of this Report our fees have been charged on a fixed basis and are set out in Section 8.13 of this Prospectus.

Directors or employees of PwC Securities, PricewaterhouseCoopers, or other associated entities, may receive partnership distributions, salary or wages from PricewaterhouseCoopers.

**6. Associations with issuers of financial products**

PwC Securities and its authorised representatives, employees and associates may from time to time have relationships with the issuers of financial products. For example, PricewaterhouseCoopers may be the auditor of, or provide financial services to, the issuer of a financial product and PwC Securities may provide financial services to the issuer of a financial product in the ordinary course of its business.

**7. Complaints**

If you have a complaint, please raise it with us first, using the contact details listed below. We will endeavour to satisfactorily resolve your complaint in a timely manner. In addition, a copy of our internal complaints handling procedure is available upon request.

If we are not able to resolve your complaint to your satisfaction within 45 days of your written notification, you are entitled to have your matter referred to the Financial Ombudsman Service (**FOS**), an external complaints resolution service. FOS can be contacted by calling 1300 780 808. You will not be charged for using the FOS service.

**8. Contact Details**

PwC Securities can be contacted by sending a letter to the following address:

Andrew Cloke  
PricewaterhouseCoopers Securities Limited  
201 Sussex Street  
Sydney, NSW, 2000



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## Risk factors

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# Section 6

**An investment in BSB-sB involves certain risks. The Issuer believes that certain aspects of the risks described below are some of the principal issues of which prospective Holders should be aware. However, the ability of the Issuer to pay interest and repay principal on BSB-sB may depend on other factors and prospective Holders should be aware that the credit and risk issues described below are not exhaustive. Prospective Holders should carefully consider the following factors in addition to the matters set out elsewhere in this Prospectus and reach their own view before investing in BSB-sB. Many of the factors described below could affect the value of the Property and the income derived from the Property and therefore may affect the Issuer's ability to make timely payments of principal and interest on BSB-sB in full.**

#### **Trading risks**

##### **Market price of BSB-sB**

The market price of BSB-sB may fluctuate due to various factors including general movements in interest rates, the Australian and international investment markets, international economic conditions, changes in inflation rates and inflationary expectations, factors that affect the value of the Property, global geo-political events and hostilities, investor perceptions and other factors beyond the control of the Issuer and its Directors.

BSB-sB may trade on ASX below their Face Value of \$100, for example because interest rates increase (which may make an investment in fixed interest rate BSB-sB a comparatively less attractive investment). Accordingly, there is a risk that if Holders sell BSB-sB on ASX they will lose some or all of their investment in BSB-sB. However, Holders of BSB-sB are entitled to receive the Face Value of \$100 cash and an Early Redemption Payment (in certain limited circumstances only) per BSB-sB when BSB-sB mature or are otherwise Redeemed.

##### **Liquidity of BSB-sB**

Prior to the Offer, there has been no public market for the BSB-sB, which creates uncertainty about the future market price for BSB-sB. It is not expected that there will be a liquid market for BSB-sB. Accordingly, there is no guarantee that Holders will be able to sell BSB-sB on ASX.

##### **BSB-sB structure risks**

###### **Ability to pay interest**

The Issuer and the Guarantor Security Providers rely on rental income under the Lease to fund interest payable on BSB-sB and under the Guarantee as applicable. The Issuer and the Guarantor Security Providers have no other source of income.

The Issuer is only able to pay interest on BSB-sB if and to the extent that it receives interest on the Loan it makes to the Property Owner and the Property Owner, in turn, is able to pay interest on the Loan only if and to the extent it receives payment of sufficient rent (net of certain costs and taxes of owning the Property, including rent payable by it in respect of the Car Park Lease) under the Lease. As explained under "Property risks" below and in the summary of the Lease in Section 8.8, rent payable under the Lease may be reduced in certain circumstances and the Lease may be terminated by Australia Post in certain circumstances. If rent is reduced or the Lease is terminated, the Issuer may not be able to fund interest payable or Redeem BSB-sB.

###### **Refinance**

The Issuer's ability to Redeem BSB-sB on the Maturity Date is dependent on the Property Owner's ability to refinance its obligations under the Loan by that date. The Property Owner's ability to refinance its obligations will be dependent on market conditions, the value of the Property at the relevant time and other factors. The Issuer has no assets other than the Loan. If the current difficulties in borrowing persist in three years' time, there will be an increased risk that the Property Owner may not be able to refinance the Loan. To the extent that the Property Owner is not able to refinance its obligations, the Issuer will not be able to Redeem BSB-sB at the relevant time.

###### **Delay on enforcement of Security**

If the Issuer and the Guarantor Security Providers fail to pay any amount owing in respect of BSB-sB, the Security may be enforced. As a result, it may be necessary to sell the Property Owner's 50% interest in the Property by enforcing the Property Owner Mortgage and the Property Owner Mortgage of Lease. If a sale is required, Holders are likely to experience a delay in receiving any amounts owing in respect of BSB-sB (i.e. unpaid interest and/or the Face Value). This is because Holders will not be paid amounts owing until a buyer is found and completion of the sale occurs. A sale process will be undertaken. This sale process will involve appointing a property agent to conduct the sale, a period of marketing to identify potential purchasers, a period for potential purchasers to undertake due diligence on the Property, a period for negotiating the terms of the sale, a 45 day period during which the Co-owner will be entitled to exercise its pre-emption right to acquire the 50% interest in the Property (see Section 8.6), a right for the landlord to approve the potential purchaser of the Property Owner's interest in the Car Park Lease and a settlement period.

**Limited recourse**

The liability of the Issuer and the Guarantor Security Providers in respect of BSB-sB is limited recourse. This means that all claims against the Issuer or the Guarantor Security Providers in respect of BSB-sB can be satisfied only out of the Secured Property and are limited in recourse to distributions from the Secured Property from time to time.

The realisation of the Secured Property (including a sale of the Property Owner's 50% interest in the Property), following enforcement of the Security, and its application towards the secured money constitutes a complete discharge of the Issuer's and each Guarantor Security Provider's liability to the Trustee and each Holder in connection with BSB-sB.

If sufficient funds are not realised from the sale of the Property Owner's 50% interest in the Property to discharge in full the obligations of the Issuer and the Guarantor Security Providers in respect of BSB-sB, no further claims may be made by the Holders or the Trustee against the Issuer or the Guarantor Security Providers in respect of the shortfall in the amount owing to the Holders in respect of BSB-sB. This includes bringing legal proceedings against the Issuer or the Guarantor Security Providers or applying to have the Issuer or the Guarantor Security Providers wound up.

**No right to be redeemed**

Other than where there is an Event of Default or a Permitted External Disposal, Holders have no exit rights prior to the Maturity Date other than by selling BSB-sB on market or through an off market transfer. There is no guarantee that Holders will be able to sell BSB-sB and, if they are able to do so, there is a risk that the sale price will be less than the Face Value.

**Early Redemption**

The Issuer may, at its election, Redeem BSB-sB at any time before the Maturity Date.

The timing or occurrence of a Redemption by the Issuer may not accord with the preference of a Holder and may also be disadvantageous in light of market conditions or individual circumstances. For example, Holders may be unable to re-invest the proceeds of Redemption in a security which offers an equivalent or higher level of interest.

**Further Indebtedness**

The Issuer and the Guarantor Security Providers may from time to time incur further indebtedness (**Permitted Debt**), which is debt that is unsecured debt.

Such Permitted Debt may increase the risk of claims being made against the Issuer and the Guarantor Security Providers and as a result may increase the likelihood of an Event of Default occurring.

However, as Permitted Debt will be unsecured, Holders will always rank ahead of any other creditors of the Issuer or Guarantor Security Providers other than those mandatorily preferred by law and amounts owing to the Trustee in respect of its services including any enforcement costs.

**Future issues of securities by Brookfield Group**

Any member of the Brookfield Group has the right to create and issue any class of share capital or other equity or debt securities without the approval of Holders.

An investment in BSB-sB carries no right to participate in any future issue of securities (whether equity, hybrid, debt or otherwise) by any member of the Brookfield Group.

No prediction can be made as to the effect, if any, such future issue of securities by any member of the Brookfield Group may have on the market price or liquidity of BSB-sB.

**Exchange rate risk for New Zealand investors**

The Offer involves a currency exchange risk for New Zealand investors. The currency for BSB-sB is Australian (not New Zealand) dollars and payments on BSB-sB are expressed to be in Australian dollars. The market value of BSB-sB and payments in respect of BSB-sB when expressed in New Zealand dollars will fluctuate depending on the prevailing exchange rates.

Moreover, New Zealand resident investors will bear any currency conversion costs if payments on BSB-sB are made by the Issuer into New Zealand dollar denominated accounts.

**Property risks****Lease**

The Issuer and Guarantor Security Providers will rely upon periodic rental payments from Australia Post to pay for maintenance and other operating expenses of the Property, to fund capital expenditures and to fund interest payments under BSB-sB. The Issuer and the Guarantor Security Providers have no other source of income. The Property is 97.7% leased to Australia Post so a reduction in rent or a termination of the Lease may mean that the Issuer cannot pay interest on BSB-sB.

Income from the Property would be adversely affected if Australia Post were unable to meet its Lease obligations or if, for any other reason, rental payments could not be collected. There are limited circumstances in which Australia Post is able to terminate the Lease or abate (i.e. reduce) rent payable, for example, rent payable under the Lease may be abated if certain facilities of the Property fail to perform to a specified standard or if the Property becomes unfit for use as an office (see Section 8.8).

## Risk factors continued

Moreover, there is a risk that the Landlord may not be able to relet the Property at all, which will mean that no lease payments will be available to service interest payable on BSB-sB. In addition, upon the occurrence of an event of default by a tenant, delays and costs in enforcing the Property Owner's rights could occur and recovery, if any, may be significantly less than if no default had occurred.

### **Expenditure for which the Property Owner is liable**

The Property Owner is liable for certain outgoings (such as certain expenses and taxes and rent payable by it in respect of the Car Park Lease). While it is not anticipated that this will reduce the net rent available to be paid as interest under the Loan made to the Property Owner to below the sum required under the terms of the Loan, there can be no guarantee in this regard. Similarly, while the Property Owner is not expected to have material capital expenditure obligations while BSB-sB are on issue, this possibility cannot be excluded. If expenses or taxes are significantly higher than expected, due for example to unexpected operating or capital expenses relating to the Property, the amount available to be paid under the Loan would be reduced and as a result the Issuer and the Guarantor Security Providers may not be able to pay interest on BSB-sB.

A technical due diligence report prepared by Risk Management Group Pty Ltd reports that \$95,000 of capital expenditure is expected to be incurred by the Property Owner and Co-owner over 2010, 2011 and 2012 and therefore limited capital and maintenance expenditure is expected to be required during the term of the BSB-sB.

### **Value of the Property**

The value of the Property (which is the key component of the Security in respect of BSB-sB) may fluctuate due to market conditions. Factors that may influence the value of the Property include changes in interest rates, inflationary expectations, overall economic and political conditions, the timing and payment of rent, expenses in operations and refurbishment and maintenance of the Property.

In addition, the value of the Property is likely to be adversely affected if Australia Post becomes entitled to abate (i.e. reduce) rent or the Lease is terminated in accordance with the Lease.

### **Value of Property on enforcement**

The Property will be independently valued at least every three years in accordance with the Property Owner's valuation policy. In general, valuations represent only the analysis and opinion of qualified experts and are not guarantees of present or future values.

The value ascribed to the Property Owner's interest in the Property may be significantly higher than the amount that can be obtained from the sale of that interest under a distress or liquidation sale. The amount that can be obtained on a sale may be adversely affected by the fact that the Property Owner holds a 50% interest in the Property. If the Trustee enforces the security over the Property after an Event of Default, there is therefore no assurance that the proceeds from the disposal of the Property Owner's interest in the Property will be equal to or greater than the amount then outstanding under BSB-sB.

### **Property location and condition**

In general, the location, age, construction quality and design of a property may affect the occupancy level as well as the rents that may be charged for individual leases. The characteristics of an area or neighbourhood in which a property is located may change over time or in relation to competing facilities. To the extent there is any poor construction quality, the Property Owner may be required to spend increasing amounts of money over time for maintenance and capital improvements. The Property will deteriorate over time if adequate maintenance is not scheduled and performed in a timely manner.

### **Co-ownership arrangements**

The Property Owner has a 50% interest in respect of the Property. The Co-owners Agreement regulates the ownership of the Property (see Section 8.6). Under the Mortgagee Deed and the Consent Deed, the Trustee must abide by the terms of the Co-owners Agreement and the Car Park Lease if it becomes entitled to enforce the Security. Accordingly, the ability of the Trustee to deal with its interest in the Property, after the occurrence of an Event of Default, will be limited by a prescribed pre-emption process before the Property can be dealt with. This may affect the timing of disposal of the interest in the Property and the amount that may be received on disposal.

See Sections 8.6 and 8.7 for further information.

### **Insurance Coverage**

The Property Owner is required to maintain insurance coverage in respect of the Property, including insurance for damage, destruction and public liability. Any losses incurred due to uninsured risks could affect payments to the Holders.

### **Sub-tenancy and assignment**

Australia Post may sublet a part of the Property but it will remain liable under the Lease should it do so. Australia Post may also assign its rights or obligations under the Lease.

### **Credit ratings may change**

The Property is leased to a wholly owned subsidiary of the Commonwealth of Australia, being Australia Post. Australia Post is rated AAA by Standard & Poor's. For a description of what this rating means, see Section 8.19.

There is a risk that these credit ratings may be revised, withdrawn, suspended or downgraded. Credit ratings are not “market” ratings, nor are they a recommendation to buy, hold or sell securities and are subject to revision or withdrawal at any time. The credit rating of Australia Post may not reflect the potential impact of all risks related to the Lease or the financial position of Australia Post.

#### **Quality of management**

The Property Manager has been appointed to manage the Property (see Section 8.9). The successful operation of a property is dependent on the performance and viability of the person who manages the relevant property. The Property Manager is responsible for responding to changes in the local market and advising the Property Owner so that maintenance and capital works required to maximise the long term income of the Property can be carried out in a timely fashion. Management errors may adversely affect the long term viability of the Property. There can be no assurance regarding the performance of the Property Manager at the time, or that the Property Manager will at all times be in a financial condition to continue to fulfil its management responsibilities under the property management agreement throughout the term thereof or that (if necessary) a replacement property manager can be appointed.

#### **Tax**

##### **Taxation considerations**

A summary of potential Australian and New Zealand income taxation and goods and services tax implications for Holders is set out in Section 7. This is a general summary and is not intended to provide specific advice in relation to the circumstances of any particular investors. Accordingly, Holders should seek independent advice in relation to their own individual taxation circumstances.

Holders should be aware that future changes in taxation law, including changes in interpretation or application of the law by the courts or taxation authorities, may affect the taxation treatment of an investment in BSB-sB, or the holding and disposal of BSB-sB. In addition, if any changes in taxation law or the interpretation or application of law by the courts or taxation authorities result in the payment of interest on a BSB-sB not being allowed as a deduction to Brookfield Group, then the Issuer is entitled to Redeem that BSB-sB (and may be entitled to Redeem all BSB-sB) without paying an Early Redemption Payment.

#### **Goods and Services Tax**

No goods and services tax (**GST**) liability will arise in respect of the issue of BSB-sB.

Some service providers to the Issuer and Guarantor Security Providers will be subject to the goods and services tax in respect of such services and will, in the ordinary course of business, pass on the additional GST amount to the Issuer and Guarantor Security Providers where they are entitled to do so. To the extent that the Issuer cannot claim a full input tax credit in respect of its acquisition of these services, it will have fewer funds than otherwise available to meet its obligations. The Property Owner must indemnify the Issuer in these circumstances. See Section 7 for an outline of the GST and implications for Holders.

#### **Taxation of the Issuer and the Guarantor Security Providers**

The Issuer and the Guarantor Security Providers are members of the Brookfield Holdco (Australia) Pty Limited tax consolidated group. The Issuer and the Guarantor Security Providers are parties to a tax sharing agreement entered into by members of the tax consolidated group. The tax sharing agreement provides a methodology to allocate any income tax liability of the tax consolidated group between members of the tax consolidated group. Holders are secured creditors and, as at the date of the Prospectus, rank ahead of any claims by the Commissioner of Taxation relating to any tax liability if the Security is enforced.

#### **Interest withholding tax**

The Issuer intends to ensure that the public offer and other relevant tests are satisfied, such that the Section 128F of the *Income Tax Assessment Act 1936* (Cth) exemption from interest withholding tax should apply. On that basis, no interest withholding tax should be required to be deducted from payments of interest.

In the event that the public offer or other relevant tests were not satisfied, the Issuer would be required to withhold tax at 10% from payments of interest to persons with addresses outside Australia or to persons where the Issuer is authorised to pay interest to them outside Australia. The Issuer would be required to gross-up interest payments on account of any such withholding tax.

#### **TFN withholding**

The Issuer is required to withhold tax at the highest marginal tax rate including Medicare levy (currently 46.5%) in instances where tax residents of Australia have not provided their TFN, ABN or appropriate exemption. The Issuer is not required to gross-up payments on account of such withholding tax.

See Section 7 for further information.

## Risk factors continued

### Other

#### Change in law and government policy

Changes in government legislation and policy or any governmental or regulatory agency may affect the value of the Property and BSB-sB.

#### Risks associated with the current global economic environment

General economic factors may affect a Holder's investment in BSB-sB or the performance of the Property. Some of these include:

- movements in Australian and international stock markets, changes in interest rates, inflation and inflationary expectations, and overall economic and political conditions may affect the demand for and market price of BSB-sB;
- changes in government legislation and policy, in particular taxation laws, may affect the relative attractiveness of investing in BSB-sB; and
- the price of securities on ASX may rise or fall due to a diverse range of non-company specific influences which may affect the market performance of BSB-sB.

None of the Issuer, its Directors or any other person guarantees the market performance of BSB-sB.

Since the second half of 2007 global capital markets have experienced difficult and unique conditions, the full effects of which are as yet unknown. These challenging market conditions have resulted in significantly reduced availability of funds, increased volatility, increased costs of funding, the unavailability of funds in certain markets, industry sectors or specific companies, forced asset sales, a lack of price transparency in many markets and heightened prospects of regional recession.

It is also possible new risks might emerge as a result of markets experiencing extreme stress or existing risks may manifest themselves in ways that are not currently foreseeable.

#### Other risks

The above risks should not be taken as a complete list of the risks associated with an investment in BSB-sB. The risks outlined above and other risks not specifically referred to may in the future materially adversely affect the value of BSB-sB and their performance. Accordingly, no assurance or guarantee of future performance or profitability is given by the Issuer in respect of BSB-sB.



## Section 7

The Directors  
Brookfield Secured Bonds Series B Issuer Limited  
1 Kent Street  
SYDNEY NSW 2000

12 October 2009

**PricewaterhouseCoopers**  
**ABN 52 780 433 757**

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Dear Directors

### **Issue of Brookfield Secured Bonds Series B**

#### **Tax Information**

This letter has been prepared for inclusion in a prospectus (Prospectus) to be dated on or about 12 October 2009 relating to the offer of Brookfield Secured Bonds Series B by Brookfield Secured Bonds Series B Issuer Limited. Capitalised terms used in this letter have the same meanings as they do in the Glossary in the Prospectus, unless otherwise stated. References to Australian tax mean Australian income tax and GST. References to New Zealand tax mean New Zealand income tax and GST.

This letter provides a summary of Australian tax implications that would normally arise for investors in respect of acquiring BSB-sB under the Offer for both Australian residents (meaning, for purposes of this letter, persons who are residents of Australia for tax purposes and who do not acquire BSB-sB in carrying on a business through a permanent establishment outside Australia) and non-residents of Australia (meaning persons who are not residents of Australia for tax purposes). Additionally, this letter provides a summary of New Zealand tax implications that would normally arise for investors who are tax resident in New Zealand in respect of acquiring BSB-sB under the Offer (NZ Holders).

This letter is based on Australian and New Zealand law, established interpretations and practice as at the date of this letter.

It is important to note that the information in this letter is general in nature. Investors are recommended to seek professional taxation advice in relation to their own positions.

The information contained in this letter does not constitute "financial product advice" within the meaning of the Corporations Act. PricewaterhouseCoopers, which is providing this letter, is not licensed to provide financial product advice under the Corporations Act. To the extent that this letter contains any information about a "financial product" within the meaning of the Corporations Act, taxation is only one of the matters that must be considered when making a decision about the relevant financial product. This letter has been prepared for general circulation and does not take into account the objectives, financial situation or needs of any recipient. Accordingly, any recipient should, before acting on this material, consider taking independent financial advice from a person who is licensed to provide financial product advice under the Corporations Act.

It should be noted that although PricewaterhouseCoopers has given its consent to the inclusion of this letter in the Prospectus, PricewaterhouseCoopers gives no assurance or guarantee in respect of the successful operation or performance of the Issuer, and that consent should not be taken as an endorsement or recommendation.

**Australian taxation implications for Australian resident Holders**

**Taxation of interest**

Interest on the BSB-sB should be treated as interest in the hands of Holders, and will not carry franking credits.

Australian resident Holders will be required to include interest on the BSB-sB in their assessable incomes no later than the relevant Interest Payment Dates. The precise timing rule applicable to a particular Holder for recognising assessable interest income on that Holder's BSB-sB will depend on whether and how the "cash basis" or some kind of "accruals basis" applies to the Holder.

**Taxation of gains/losses on sale or Redemption**

The BSB-sB should be treated as "traditional securities" for Australian tax purposes. Where a Holder sells BSB-sB on ASX or holds them to Redemption, any gain or loss should normally be included in, or allowable as a deduction from, the assessable income of the Holder for the year of sale or Redemption. (As a consequence of the assessability or deductibility of that gain or loss under the "normal" income tax provisions, that gain or loss should not be taken into account as a capital gain or loss for purposes of capital gains tax (CGT). Accordingly, no Holder will be entitled to any CGT discount on any gain). The gain or loss should be calculated having regard to the proceeds from the sale or Redemption (including any Early Redemption Payment), the cost of acquiring the BSB-sB, and any incidental costs of acquisition or disposal.

**Tax File Number (TFN) withholding tax**

If a TFN (or, where relevant, an Australian Business Number (ABN)) is not quoted by an Australian resident Holder, and no appropriate TFN exemption information is provided, PAYG withholding tax will be required to be deducted from interest paid to the Holder at the highest marginal tax rate plus Medicare levy (currently 46.5%).

**Taxation of Financial Arrangements**

The newly-enacted Taxation of Financial Arrangements (TOFA) rules should not normally apply to Holders and therefore should not disturb the above treatments. However, if a Holder (i) has elected or will elect to adopt the TOFA rules early (e.g. to adopt them from 1 July 2009), or (ii) is a taxpayer that will fall within the TOFA regime when it commences and elects to bring prior financial arrangements (including the BSB-sB) into the TOFA regime, then the timing of the income tax results for the Holder could differ from those described above.

**Australian GST**

The issue, sale or Redemption of BSB-sB should not give rise to Australian GST costs to Holders, but Holders could be unable to claim full input tax credits on GST incurred on their expenses relating to these activities.

### **Australian taxation implications for NZ Holders and other non-resident Holders**

#### **Interest withholding tax**

The Issuer has represented to us that it will take all necessary steps to satisfy the “public offer” and other tests necessary to secure exemption of interest paid on the BSB-sB from Australian interest withholding tax under Section 128F of the Income Tax Assessment Act 1936.

On the assumption that the Issuer does take those steps, Australian interest withholding tax should not need to be withheld from payments of interest to NZ Holders, or to other non-resident Holders, or to any other Holder who is recorded in respect of the BSB-sB as having an ex-Australian address or to whom payment of interest on BSB-sB outside Australia is authorised.

We note that, under the terms of issue of the BSB-sB, the Issuer will be required to gross-up interest payments in the event that the BSB-sB do not qualify for the interest withholding tax exemption under Section 128F. Under such a gross-up, the amount received by a relevant investor should be the same, after deduction of Australian interest withholding tax from the grossed-up amount, as it would have been if the Section 128F exemption had been available.

#### **TFN withholding tax, and permanent establishment in Australia**

On the basis that interest on the BSB-sB should be exempt from Australian interest withholding tax under Section 128F (or (if not so exempt) should be subject to such interest withholding tax), a non-resident Holder should be deemed to have quoted a TFN and should therefore not be liable to TFN withholding tax.

However, where the interest is paid on BSB-sB held by a non-resident of Australia in the course of carrying on a business through a permanent establishment in Australia of that non-resident, the non-resident will be required to quote a TFN in order to prevent TFN withholding tax from applying. The interest will in any event be included in the assessable income of the non-resident in respect of that permanent establishment for purposes of computing its liability to Australian income tax on assessment.

#### **Taxation of gains/losses on sale or Redemption**

Any gain made on sale of BSB-sB on ASX or on their Redemption will likely represent income with an Australian source upon which non-residents could be subject to Australian income tax. However, if the non-resident Holder is a tax resident of a country with a double tax treaty with Australia, and if the BSB-sB were not held as assets of any business carried on through a permanent establishment in Australia of that non-resident, the gain may not be subject to Australian tax.

Any loss made on sale or Redemption of the BSB-sB by a non-resident would not be deductible for Australian tax purposes unless, had the loss been a gain, the gain would have been subject to Australian tax.

### **New Zealand taxation implications for New Zealand resident Holders**

The BSB-sB will be debt for New Zealand tax purposes and income from the BSB-sB will be taxable under New Zealand’s “financial arrangement rules”. Income from the BSB-sB includes interest, any foreign exchange movements and gains derived on the disposition of the BSB-sB. Such income will need to be returned on an accruals basis unless the NZ Holder qualifies for concessional treatment as a “cash basis person” (refer below). New Zealand withholding tax should not be applicable to the income from the BSB-sB.

NZ Holders should seek independent tax advice as to the application of the financial arrangement rules in their circumstances including:

- whether they meet the criteria to be taxed on a cash basis;
- the different spreading methods available to them for returning income on an accruals basis if applicable;
- the ability to claim a deduction for losses.

**NZ Holders who are “cash basis persons”**

NZ Holders who satisfy the criteria to be “cash basis persons” will be taxed on interest income on receipt, in New Zealand dollars if received in New Zealand dollars or converted into New Zealand dollars on the date of the payment.

Broadly speaking, a person who holds less than NZ\$1 million worth of financial arrangements or earns NZ\$100,000 or less under these arrangements each year should be a cash basis person if they also satisfy the deferral threshold. The deferral threshold is met when the difference between accrual income and cash basis income for that person’s financial arrangements is NZ\$40,000 or less.

**NZ Holders taxed on an accruals basis**

NZ Holders who do not qualify as “cash basis persons” (or who elect not to be “cash basis persons”) will be taxed on an accruals basis. There are various ways to spread income on an accruals basis and the availability of the different spreading methods will depend upon the NZ Holders’ individual circumstances. The tax implications for the two broad categories of NZ Holders who are not “cash basis persons” are outlined below.

*(i) NZ Holders who do not use New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) for financial reporting*

NZ Holders who do not use NZ IFRS for financial reporting purposes will generally be taxed on a mark-to-market basis, converting interest received (if denominated in Australian dollars) and realised gains using the spot rate on the date of the receipt and any accrued interest and unrealised foreign exchange movement at the end of the income year using year-end rates. Interest received in New Zealand dollars would not need to be converted.

NZ Holders may choose to spread their expected income using forward rates which would reduce exchange rate volatility. Criteria must be satisfied and such investors are advised to obtain independent tax advice as to how their investment will be taxed.

*(ii) NZ Holders who use NZ IFRS for financial reporting*

NZ Holders who use NZ IFRS for financial reporting purposes will generally be taxed on the amount of income under the BSB-sB recognised for accounting purposes. This is likely to include accrued interest income, unrealised foreign exchange movements at the end of the income year, and any fair value gain on the BSB-sB. A washup calculation is required in the year of sale or Redemption of the BSB-sB to tax any income not previously returned.

NZ Holders may choose to spread their accruals income under an alternative method which minimises any fair value and exchange rate volatility. The ability to adopt a different method will depend on the NZ Holders’ individual circumstances, including whether the NZ Holder is a trader in financial arrangements and if hedge accounting is applied under NZ IFRS. Such investors are strongly recommended to seek independent tax advice in relation to their own position.

**Tax credit for Australian interest withholding tax**

In the event that the Issuer does not secure the Australian interest withholding tax exemption for the BSB-sB under Section 128F of the Income Tax Assessment Act 1936, the Issuer will be required to gross-up interest payments and deduct Australian interest withholding tax. A NZ Holder may be entitled to a foreign tax credit for the Australian withholding tax against New Zealand income tax on that interest income, subject to certain limitations.

**New Zealand GST**

The issue, sale or Redemption of the BSB-sB should not give rise to New Zealand GST costs to NZ holders, and should not adversely impact a NZ Holder's ability to claim full input tax credits on GST incurred on their expenses relating to these or other activities.

Yours faithfully



**N Healy**  
Partner



Additional  
information

## Section 8

## Additional information

### 8.1 Issuer's reporting and disclosure obligations

The Issuer will apply within seven days following the date of this Prospectus to have BSB-sB quoted on ASX. The ordinary shares in the Issuer are not currently quoted, and there is no current intention that they be quoted. However, the Issuer will be required under the Listing Rules to comply with continuous disclosure obligations and to lodge half yearly and annual reports and returns in accordance with the *Corporations Act*.

The Issuer will be required to notify ASX of information about specified events and matters as they arise for the purposes of ASX making that information available to the market conducted by ASX. In particular, the Issuer will have an obligation under the Listing Rules (subject to certain exceptions) to notify ASX immediately of any information of which it is or becomes aware concerning the Issuer which a reasonable person would expect to have a material effect on the price or value of BSB-sB. That information will then be available on the public file at ASX.

### 8.2 Rights and liabilities attaching to Brookfield Secured Bonds Series B

The rights and liabilities attaching to BSB-sB are contained in the Terms and the Trust Deed which will be entered into prior to the lodgement of the Prospectus. The Terms are set out in full in Appendix A and the Trust Deed is summarised in Section 8.3. Rights and liabilities attaching to BSB-sB may also arise under the *Corporations Act*, the Listing Rules and other laws. The Issuer and the Guarantor Security Providers must provide a copy of the Trust Deed to a Holder if requested.

### 8.3 Summary of the Trust Deed

The Issuer, the Guarantor Security Providers and the Trustee will be party to the Trust Deed. The Terms of the Guarantee are set out as schedules to the Trust Deed.

The following is a summary only of the principal provisions of the Trust Deed.

#### 8.3.1 Appointment of Trustee

The Trustee is appointed under the Trust Deed and holds on trust for the Holders and itself upon the Terms of the Trust Deed:

- the right to enforce the Issuer's duty to repay, and to pay all other amounts payable, under BSB-sB;
- the Security and the right to enforce the Security in accordance with the Trust Deed following an Event of Default;
- the right to enforce all other obligations of the Issuer and the Guarantor Security Providers under the Terms, the provisions of the Trust Deed, the other Transaction Documents and Chapter 2L of the *Corporations Act*; and

- any other property held on the trust established by the Trust Deed including, without limitation, the benefit of any covenants, undertakings, representations, warranties, rights, powers, benefits or remedies in favour of the Trustee under the Transaction Documents.

#### 8.3.2 Undertakings

The Issuer and the Guarantor Security Providers have given a number of undertakings to the Trustee (on behalf of each Holder), including:

- to pay the amounts due and payable in respect of a BSB-sB under and in accordance with the Transaction Documents;
- not to incur any indebtedness other than Permitted Debt or in accordance with the Transaction Documents;
- to ensure that the Property is insured for its full replacement and reinstatement value and insured for public liability;
- to deposit all rent, collections and other income (including any business interruption insurance proceeds) (net of certain expenses and taxes including rent payable by it in respect of the Car Park Lease) received by it into the Collection Account within five Business Days of receipt by it;
- to not dispose of (or agree to dispose of) the Property except a Permitted External Disposal or a Permitted Internal Disposal or otherwise in relation to any lease of, licence to use, or management arrangement in respect of the Property;
- not to do anything that may result in the Trustee's rights in relation to the Secured Property ranking behind any claim of the Issuer or a Guarantor Security Provider over that Secured Property;
- to notify the Trustee promptly if it becomes aware of any Event of Default or breach by the Issuer or a Guarantor Security Provider of Chapter 2L of the *Corporations Act* or the Terms;
- to comply with all statutory and regulatory requirements applicable to it to the extent that they relate to its obligations under the Transaction Documents where a failure to do so would have or would be likely to have a material adverse effect, and to comply in all respects with Chapter 2L of the *Corporations Act*;
- to comply with material terms of the Co-owners Agreement, the Car Park Lease and the Lease to which they are a party;
- to undertake repairs and maintenance with the intent of maintaining occupancy levels, tenant cash flows and capital value, and to not spend an amount in respect of repairs and maintenance which will result in a material adverse effect; and

- not to amend the Transaction Documents (except with the consent of the Holders), except where the Trustee, the Issuer and each Guarantor Security Provider are each of the opinion such amendment is:
  - of a formal or technical or minor nature;
  - made to cure any ambiguity or correct any manifest error;
  - necessary or expedient for the purpose of enabling BSB-sB to be:
    - listed for quotation, or to retain quotation, on any stock exchange; or
    - offered for subscription or for sale under the laws for the time being in force in any place,
 and the Issuer or the Guarantor Security Provider has provided to the Trustee an opinion of independent legal advisers of recognised standing in New South Wales that such amendment is otherwise not materially prejudicial to the interests of Holders as a whole;
- necessary to comply with:
  - the provisions of any statute or the requirements of any statutory authority; or
  - the Listing Rules or the listing or quotation requirements of any securities exchange on which the Issuer may propose to seek a listing or quotation of BSB-sB; or
- otherwise not materially prejudicial to the interests of Holders as a whole.

### 8.3.3 Priority

Prior to an Event of Default and enforcement of the Security, the Issuer must, on each Interest Payment Date, apply the balance of the Collection Account in the following order of priority:

- first, in payment of all costs incurred by or other amounts owing to the Trustee under or in connection with the Transaction Documents;
- next, in or towards payment equally and rateably of all amounts owing in respect of BSB-sB; and
- next, the balance towards such purposes as the Issuer may determine.

Following an Event of Default and the enforcement of the Security, the Trustee must apply the balance of the Collection Account and any other amounts received by it in connection with the Transaction Documents in the following order of priority:

- first, to any person with a prior ranking claim to the extent of that claim;
- next, to any receiver appointed to the Secured Property for its costs and remuneration in connection with exercising, enforcing or preserving rights under or in connection with the Transaction Documents;
- next, in payment of all costs incurred by or other amounts owing to the Trustee under or in connection with the Transaction Documents;
- next, in or towards payment equally and rateably of all amounts owing in respect of BSB-sB; and
- next, in payment of the balance (if any) to the Issuer or the Guarantor Security Providers (as applicable).

### 8.3.4 Guarantee

Under the terms of the Guarantee, the Guarantor Security Providers unconditionally and irrevocably guarantee to the Trustee on its own behalf and on behalf of the Holders the payment of all amounts at any time due for payment, or which will or may become due for payment or which remain unpaid by the Issuer (**Guaranteed Money**).

The Guarantor Security Providers unconditionally and irrevocably indemnify the Trustee on its own behalf and on behalf of the Holders, on demand from the Trustee, against any and all liability or loss arising, and any costs, charges or expenses it suffers or incurs:

- if the Issuer does not, or is unable to, pay the Guaranteed Money in accordance with the Terms;
- if an obligation the Issuer or a Guarantor Security Provider would otherwise have to pay the Guaranteed Money, or under the Guarantee, is found to be unenforceable;
- if the Holder is obliged, or agrees, to pay an amount to a trustee in bankruptcy or liquidator of any person in connection with a payment by the Guarantor Security Providers or the Issuer;
- if the Guarantor Security Providers default under the Trust Deed; or
- in connection with any person exercising, or not exercising, rights under the Trust Deed.

The rights of the Holders of BSB-sB against the Guarantor Security Providers in respect of BSB-sB will rank ahead of all other secured and unsecured obligations of the Guarantor Security Providers (other than those mandatorily preferred by law, amounts owing to the Trustee in respect of its services and any enforcement costs).

The liability of the Guarantor Security Providers under the Guarantee can only be paid or satisfied from, and the recourse of the Trustee and Holders is limited to, the Security.

## Additional information continued

### 8.3.5 Event of Default

An Event of Default occurs if:

1. the Issuer or a Guarantor Security Provider does not pay any amount payable by it in respect of BSB-sB on time and in the manner required under the Transaction Documents unless, in the case of a failure to pay on time, the Issuer or a Guarantor Security Provider pays the amount within three Business Days of the due date;
2. the Issuer or a Guarantor Security Provider becomes insolvent;
3. a Transaction Document, or a transaction in connection with it, is or becomes (or is claimed to be) wholly or partly void, voidable or unenforceable or does not have (or is claimed not to have) the priority it is expressed to have;
4. the Issuer or a Guarantor Security Provider:
  - (a) does not comply with the negative undertakings it has made under clause 12.1 of the Trust Deed (such as incurring debt which is not a Permitted Debt or disposing of its interest in the Property in a manner not permitted under the Transaction Documents); and
  - (b) if the non-compliance can be remedied, does not remedy the non-compliance within 30 Business Days of being requested to do so by the Trustee; or
5. the Brookfield Multiplex SX West Tower Landowning Trust or the Brookfield Multiplex SX West Tower Holdings Trust is terminated.

### 8.3.6 Consequences of an Event of Default

If any Event of Default occurs and continues unremedied in relation to BSB-sB, then the Trustee may:

1. declare by notice to the Issuer and the Guarantor Security Providers that all BSB-sB are to be Redeemed at their Face Value (together with any accrued interest) immediately; and
2. take any action which it is permitted to take under the Security or the Trust Deed.

### 8.3.7 Enforcement on direction

Subject to the Transaction Documents and to Section 283DA(h) of the *Corporations Act*, the Trustee must take action to enforce the Transaction Documents in accordance with their terms where all the following conditions are met:

- the Trustee is directed to take action by a Holder Resolution;
- the Trustee is indemnified, to its satisfaction, against certain actions and costs; and
- the action is permitted under the Transaction Documents.

No Holder is entitled to proceed directly against the Issuer or a Guarantor Security Provider to enforce any right or remedy under or in respect of any BSB-sB unless the Trustee, having become bound to proceed, fails to do so within 10 Business Days (or such longer period as may be reasonable in the circumstances) and such failure is continuing.

### 8.3.8 Powers and duties of the Trustee

The Trustee has all the powers of a natural person or corporation in connection with the exercise of its rights and compliance with its obligations under the Transaction Documents. The Trustee may exercise its rights and comply with its obligations under the Transaction Documents in any manner it thinks fit.

The duties of the Trustee are set out in the Trust Deed and include the following:

1. the Trustee is entitled to waive any breach by the Issuer or a Guarantor Security Provider under the Trust Deed. However, if the breach is the failure by the Issuer or a Guarantor Security Provider to pay an amount in respect of BSB-sB, the Trustee may waive the breach only if the breach has been remedied to the satisfaction of the Trustee or the Holders have, by a Holder Resolution, consented to the waiver;
2. the Trustee must exercise its duties under Chapter 2L of the *Corporations Act*; and
3. the Trustee must act honestly and in good faith and comply with all laws in performing its duties and in the exercise of its discretions under the Trust Deed.

### 8.3.9 Trustee under no obligation to act

The Trustee is not obliged to carry out any act or refrain from doing any act (including incurring any liability) under the Trust Deed or under any other Transaction Document until such time as it is placed in funds or is otherwise indemnified to its satisfaction against any expense or liability which it may incur as a result of doing so.

### 8.3.10 Liability

The Trustee is not liable to the Issuer, the Guarantor Security Providers, the Holders or any other person in any capacity other than as Trustee. The Trustee's liability is further limited to the assets of the trust established under the Trust Deed and which are actually available to indemnify the Trustee for the liability, to the maximum extent permitted by Section 283DB of the *Corporations Act* except to the extent that there is a reduction in the extent of the Trustee's indemnification from the assets of the Trust as a result of Trustee's fraud, gross negligence or wilful default or a breach of Section 283DA(a), (b) or (c) of the *Corporations Act*.

#### **8.3.11 Fees and expenses**

The Issuer (failing which the Guarantor Security Providers) will pay the Trustee fees as agreed between the Issuer and the Trustee. The Issuer and the Guarantor Security Providers will also pay, on demand, the Trustee's losses and expenses in connection with the performance of its duties, or the exercise of its rights, in connection with the Transaction Documents as well as expenses (including expenses at an hourly rate, provided they are properly incurred) for any enforcement action that the Trustee takes in relation to the Transaction Documents.

#### **8.3.12 Retirement and removal**

The Trustee may retire at any time by giving at least 60 days' notice to the Issuer or such other period as the Trustee and the Issuer may agree.

Subject to any statutory requirements, the Issuer may remove the Trustee at any time by giving not less than 60 days' notice to the Trustee (or such other period as the Trustee or the Issuer may agree) in circumstances including where:

- the Trustee is in material breach of its obligations under any Transaction Document and has not rectified the breach within seven Business Days of receiving a notice from the Issuer;
- a Trustee Default (which means in respect of the Trustee an act of fraud, gross negligence, wilful default or a breach of Section 283DA(a), (b) or (c) of the *Corporations Act*) has occurred and is continuing;
- an insolvency event occurs in relation to the Trustee or it ceases to carry on business;
- the Trustee ceases to be a person who can be appointed a trustee under Section 283AC(l) of the *Corporations Act*; or
- the Issuer is authorised or requested to do so by a meeting of Holders.

The removal or retirement of the Trustee does not take effect until the appointment of a new eligible trustee is effective. Power to appoint a new eligible trustee is vested in the Issuer, unless no new eligible trustee has been appointed within 60 days (or such other period as the Trustee and the Issuer may agree) after the Trustee gave notice to retire, in which case the Trustee may appoint (or apply to the court for the appointment of) another person to act as the new trustee, or call a meeting of Holders for the purpose of appointing a replacement Trustee.

#### **8.3.13 Meetings**

A meeting of Holders has the power to (among other things):

- by Holder Resolution, give directions to the Trustee as to the performance of its duties under the Trust Deed, Transaction Documents or the Terms or approve any amendment to the Trust Deed or the Terms required to be authorised by a Holder Resolution; and
- by Special Resolution, approve anything the Trustee has done or omitted to do or approve any amendment to the Trust Deed, Transaction Documents or the Terms required to be authorised by a Special Resolution.

At a meeting of Holders, each Holder is entitled to one vote on a show of hands. On a poll, each Holder is entitled to one vote for each BSB-sB that the person holds. If the meeting is by postal ballot or written resolution, Holders are entitled to vote in the relevant proportion to the aggregate Face Value of all BSB-sB.

#### **8.4 Summary of the Security**

The Issuer and Guarantor's obligations under the Transaction Documents are secured by the Security. The Security will be held by the Trustee for the benefit of the Holders under the terms of the Trust Deed.

A summary of the Security is provided. The Security will be granted by the Issuer and the Guarantor Security Providers on the Issue Date. All existing security interests, other than permitted security interests, will be released on the Issue Date.

##### **8.4.1 Property Owner Mortgage**

The Property Owner will grant a first ranking real property mortgage over the Property Owner's 50% interest in the Freehold Property in favour of the Trustee.

Except for creditors mandatorily preferred by law, the Trustee's rights under the Property Owner Mortgage rank ahead of all other claims in relation to the Property Owner's interest in the Freehold Property following an Event of Default and enforcement of the Security.

##### **8.4.2 Property Owner Mortgage of Lease**

The Property Owner will grant a first ranking real property mortgage of lease over the Property Owner's 50% interest in the Car Park Lease in favour of the Trustee.

Except for creditors mandatorily preferred by law, the Trustee's rights under the Property Owner Mortgage of Lease rank ahead of all other claims in relation to the Car Park Lease following an Event of Default and enforcement of the Security.

#### 8.4.3 Property Owner Charge

The Property Owner will grant a first ranking fixed and floating charge over all assets of the Property Owner, in favour of the Trustee. The Property Owner's assets include its 50% interest in the Property and all assets, rights and property associated with its 50% interest in the Property, including without limitation its right to receive its 50% share of the rent under the Lease.

Except for creditors mandatorily preferred by law, the Trustee's rights under the Property Owner Charge rank ahead of all other claims in relation to the assets of the Property Owner following an Event of Default and enforcement of the Security.

#### 8.4.4 Holding Trust Charge

The Holding Trust will grant a first ranking fixed and floating charge over all assets of the Holding Trust. The Holding Trust's assets include the Units.

Except for creditors mandatorily preferred by law, the Trustee's rights under the Holding Trust Charge rank ahead of all other claims in relation to assets of the Holding Trust following an Event of Default and enforcement of the Security.

#### 8.4.5 Issuer Charge

The Issuer will grant a first ranking fixed and floating charge over all assets of the Issuer, including the Issuer's right to be paid interest and repaid principal under the Loan, in favour of the Trustee.

Except for creditors mandatorily preferred by law, the Trustee's rights under the Issuer Charge rank ahead of all other claims in relation to the assets of the Issuer.

#### 8.5 Summary of the Loan

The Loan will be made between the Issuer and the Property Owner. Under the terms of the Loan, the Issuer agrees to lend the proceeds of the Offer to the Property Owner.

The rate of interest applicable to the Loan will be an amount equal to the Interest Rate. The interest periods under the Loan will match the interest periods applicable to BSB-sB. Interest on the Loan will be payable on each Interest Payment Date.

If the Issuer is required to Redeem, or exercises its option to Redeem, BSB-sB prior to the Maturity Date, in accordance with the Terms, then the Property Owner must repay the Loan (in an amount equal to the aggregate Face Value of the BSB-sB to be Redeemed) on the Redemption Date and a break fee of an amount equal to any Early Redemption Payment which is payable to the Issuer. The Loan is repayable on the Maturity Date.

The Property Owner must reimburse the Issuer for any fees and expenses which the Issuer reasonably believes have been incurred by it in connection with the Loan, including ongoing fees, expenses and other costs incurred in connection with BSB-sB.

#### 8.6 Summary of the Co-owners Agreement

The Property Owner only owns a 50% interest in the Property. The Property Owner is a party to a Co-owners Agreement with the Co-owner who owns the remaining 50% interest in the Property. The Co-owners Agreement governs the conduct of the Property Owner in respect of its dealings with the Co-owner. There are certain obligations on each co-owner to contribute amounts relating to the Property and to indemnify the other co-owner in relation to amounts incurred in connection with a default.

The co-owners have agreed to distribute net income on a monthly basis to the co-owners in proportion to their ownership of the Property. If the gross income is less than the operating expenses in any period, the co-owners must contribute the shortfall in proportion to their ownership of the Property. Under the terms of the Co-owners Agreement, a co-owners committee must make determinations on substantive issues relating to the ownership and management of the Property. If the co-owners are unable to agree or a dispute exists, then a co-owner may require the matter or dispute to be referred to an expert for resolution in accordance with the dispute resolution mechanism set out in the Co-Owners Agreement. There are certain matters which are not permitted to be referred to an expert.

The Property Owner and the Co-owner are each entitled to two members on the co-owners committee. Expenses or costs may not be incurred or expended without the approval of the co-owners committee, unless otherwise covered by an annual budget approved by the co-owners committee.

If a co-owner wishes to dispose of an ownership interest (other than by disposal to a related body corporate of the co-owner or to a trustee of a unit trust in which the co-owner holds a particular interest), the pre-emption rights granted to the co-owners under the Co-owners Agreement require the disposing co-owner to first offer its interest in the Property to the other co-owner for 45 days from the receipt of the disposal notice.

At the expiry of the offer period (if the offer has not been accepted) the disposing co-owner may then offer its interest in the Property for sale to third parties on terms no more favourable for a period of six months.

If a co-owner defaults under the terms of the Co-owners Agreement, the agreement sets out a procedure pursuant to which the non-defaulting co-owner may acquire the defaulting co-owner's interest in the Property. This procedure involves a valuation process in respect of the relevant interest in the Property. However, if the relevant default is fully rectified prior to the entering into of a contract of sale, the defaulting co-owner or the non-defaulting co-owner may terminate the sale procedures in relation to the relevant interest in the Property (with the non-defaulting co-owner's costs being reimbursed).

### **8.7 Summary of the Mortgagee Deed**

Under the Co-owners Agreement, it is a precondition to the grant of a security interest by the Property Owner over the Property that the Property Owner gives 15 Business Days' notice of its intention to the Co-owner and if required the Co-owner, the Co-owner's mortgagee or the Trustee must enter into a Mortgagee Deed with the Property Owner and the Co-owner. By entering into the Mortgagee Deed, the Trustee will agree to do the following:

1. that in exercising its enforcement rights in respect of the Property, the Trustee will comply with the terms of the Co-owners Agreement which bind the Property Owner;
2. that the Trustee and any party appointed by it under the Security will not enjoy any rights greater than those enjoyed by the Property Owner; and
3. if a default has occurred under the Co-Owners Agreement, the Trustee or a party appointed by it under the Security may, but is not obliged to, take steps to remedy the default by the Property Owner.

Under the Mortgagee Deed, the Co-owner agrees:

- that it will promptly give the Trustee notice of any breach or default by the Property Owner under the Co-owners Agreement which entitles the Co-owner to terminate, rescind or accept repudiation of the Co-owners Agreement;
- it will not interface with or act to disrupt the Trustee in exercising its rights in connection with any Security or the Co-owners Agreement; and
- to provide the Trustee with access to the Property on reasonable notice and at reasonable times.

### **8.8 Summary of the Lease**

A total of 97.7% of the Freehold Property is leased to a wholly owned subsidiary of the Commonwealth of Australia, being Australia Post, under the terms of the Lease. The landlord is the Property Owner and the Co-owner (**Landlord**).

In addition, under the Licences the Landlord has licensed to Australia Post certain car parking spaces, storage and changing room areas forming part of the leased premises the subject of the Car Park Lease.

#### **8.8.1 Term**

The Lease commences on 12 November 2009 and expires on 11 November 2019. Australia Post has four five-year options to renew the Lease. The term of each of the Licences is the same as the Lease. New licences will be granted if Australia Post exercises the option under the Lease.

#### **8.8.2 Rent**

The rent payable under the Lease on the commencement date, 12 November 2009, was \$15,182,262.20 per annum. Rent is payable in equal monthly instalments. The obligation to pay rent for the mailroom and levels 1 to 20 of the office floors does not commence until 12 February 2010.

Rental income under the Lease is subject to fixed annual rent increases of 4% per annum until 11 November 2019. There is a market rent review on the first day of any option lease. The rent agreed under a market review may be less than or greater than the rent payable in the year immediately preceding the market review date.

The licence fee for the car parking spaces on the commencement date, 12 November 2009, was \$119,250.<sup>1</sup> The licence fee for the storage area and changing room area on the commencement date, 12 November 2009, was \$22,320.<sup>2</sup> There is no rent free period in respect of the licence fees payable by Australia Post.

The licence fee for the car parking spaces will be adjusted annually under a market review. The amount payable for the car parking spaces may be less than or greater than the amount payable in the preceding year. The basement facilities licence fee increases annually by 4%. The basement facilities licence fee must not be less than the amount payable immediately prior to the review date.

<sup>1</sup> Depends on number of spaces selected in accordance with Agreement for Lease.

<sup>2</sup> To be determined in accordance with the Agreement for Lease.

## Additional information continued

### 8.8.3 Payments of outgoings

Except in certain circumstances, Australia Post is required to pay rates and taxes assessed in relation to the Property, as well as all charges for electricity, gas and water used by Australia Post. Australia Post must also pay all charges for cleaning, rubbish removal, telephones and like services used on the Property on a proportionate basis if not separately metered. Australia Post must also pay to the Landlord a portion of the amount paid by the Landlord for any insurances under the Car Park Lease.

The amount payable by Australia Post in respect of certain outgoings during the first two years of the lease must not exceed \$72 per square metre of lettable area.

### 8.8.4 Capital expenditure

The Landlord is responsible for property management services, the structure, and capital or structural work (except in limited circumstances).

The Landlord must maintain public liability insurance for no less than \$20,000,000 and insurance for the Property (including plate glass insurance) for its full replacement and reinstatement value.

### 8.8.5 No restriction on sale

If the Landlord sells the Property or the Co-owner sells its interest in the Property, the parties must enter into a deed containing an undertaking from any new owner in favour of Australia Post to comply with the Landlord's obligations under the Agreement for Lease and Lease as the case may be.

### 8.8.6 Landlord covenants

The Landlord is required to use all reasonable endeavours to professionally manage and maintain the Property and implement a regular maintenance program designed to meet the performance standards for A Grade Buildings as at 16 May 2006, excluding any Australian Building Greenhouse Rating and Green Star performance standards.

### 8.8.7 Rent abatement

Australia Post has a right to rent abatement (i.e. reduction) in circumstances including:

- a failure of the air conditioning systems to perform to a specified standard, or three or more lifts fail to operate at the same time two consecutive Business Days after Australia Post has given notice to the Landlord of the failure notice. However, the right is limited, applying where certain conditions are met; and
- if the Property becomes wholly or substantially unfit for Australia Post to occupy and use having regard to the value and location of the Property and the normal means of access or is wholly or substantially inaccessible.

### 8.8.8 Lease termination

The Lease contains provisions giving Australia Post the right to terminate the Lease, including:

- where the Property is wholly or substantially unfit for Australia Post to occupy and use the Property or is wholly or substantially inaccessible and by the date that is 180 days from the date of the relevant damage or destruction, the Landlord has not given a notice either electing to terminate the lease or reinstate the premises; or
- if the Landlord has given a notice electing to reinstate the premises and the reinstatement is not complete by the date which is no later than five years from the date of the relevant damage or destruction.

### 8.8.9 Tenant covenants

Australia Post has agreed to do certain things under the Lease including:

- to pay rent;
- to use the premises solely for the permitted use;
- to repair the premises; and
- to pay or reimburse rates, taxes, outgoings and cleaning charges.

If Australia Post fails to comply with these requirements, the Landlord may terminate the Lease. In addition, if Australia Post does not pay the amounts owing by it under the Licences, this may result in SX Developments terminating the Car Park Lease.

### 8.8.10 Defects rectification

The Landlord has an ongoing obligation for a period of 12 months from the date of practical completion of the building (19 August 2009) to procure the repair or rectification of defects. If the Landlord fails to procure the repair or rectification of certain defects when it is required to do so, then Australia Post may make a demand on the Landlord's bank guarantee that it is holding as security for the performance by the Landlord of its obligations.

### 8.8.11 Consent Deed

Under the Car Park Lease, it is a precondition to the grant of a security interest by the Property Owner over the property the subject of the Car Park Lease that the Property Owner notifies SX Developments of its intention and the Trustee must enter into a Consent Deed with the Property Owner and SX Developments. By entering into the Consent Deed, the Trustee will agree to do the following:

1. observe and perform the Property Owner's covenants under the Car Park Lease during any period in which the Trustee is in possession of the premises;
2. promptly notify SX Developments after it appoints a receiver or receiver and manager or otherwise enters into possession of any secured assets;
3. not vary or replace the Property Owner Mortgage of Lease without the consent of SX Developments; and
4. obtain the consent of SX Developments to the assignment of the Property Owner's interest in the Car Park Lease if the Trustee wishes to assign the Car Park Lease by way of power of sale.

Under the Consent Deed, SX Developments agrees:

- that it will promptly give the Trustee notice of any default by the Property Owner in the observance of any obligations of the Property Owner under the Car Park Lease which are material in nature or which entitle SX Developments to issue a default under the terms of the Car Park Lease; and
- that it will not exercise any rights it might have under the Car Park Lease in relation to a default without first allowing the Property Owner or the Trustee a reasonable period of time to remedy the default.

### **8.9 Summary of the Property Management Agreement**

Under the property management agreement, the Property Manager has been appointed by the Landlord to perform property management services and facilities management services in relation to the Property, including lease administration and management, managing funds relating to the Property and building management, including arrangement of services, including rubbish removal, electricity and gas. The property management agreement has a term of three years to June 2012. An annual fee is payable by the Landlord. A property management fee of \$190,000 is payable in the first year of the property management agreement which commenced in June 2009<sup>1</sup> and increases by 4% on each anniversary of the commencement date of the agreement. The property management agreement contemplates that the Property Manager may perform additional services and a separate remuneration arrangement exists for these services. The fees payable to the Property Manager may be adjusted if there is an alteration in the use of the Property or if there is a latent condition which results in increased cost to the Property Manager.

Either party may terminate the agreement if the other party fails to comply with the terms of the agreement within 10 Business Days of notice.

### **8.10 Summary of the Offer Management Agreement**

The Joint Lead Managers and the Issuer have entered into an offer management agreement dated on or about the date of this Prospectus (**Offer Management Agreement**). Under the Offer Management Agreement, the Joint Lead Managers have agreed to lead manage the Offer, including conducting the Bookbuild.

#### **8.10.1 Fees and expenses**

The Issuer will pay a management fee to the Joint Lead Managers of 2.5% of the total proceeds of the Offer (potentially up to \$1.625 million), to be shared equally by the Joint Lead Managers. However, the management fee will not be payable for any proceeds in respect of BSB-sB issued to a related body corporate of the Issuer or to an entity managed by such a related body corporate, or otherwise to any investors unknown to the Joint Lead Managers. The Issuer will also pay the costs, charges and expenses incidental to the Offer, including the Joint Lead Managers' legal costs (up to a maximum of \$20,000 exclusive of GST) and any reasonable agreed out of pocket expenses of the Joint Lead Managers. Pursuant to the indemnity agreement (see Section 8.12), Brookfield Multiplex Limited has indemnified the Issuer for all costs relating to the Offer including costs payable under the Offer Management Agreement.

#### **8.10.2 Representations and warranties**

Customary and usual representations and warranties are given by the parties in relation to matters such as the power to enter into the Offer Management Agreement, corporate authority and approvals and the Issuer's compliance with the *Corporations Act* and ASX Listing Rules in relation to making the Offer. The Issuer gives a number of further representations and warranties, including that the Prospectus will not contain any untrue, inaccurate, misleading or deceptive statements or omissions.

#### **8.10.3 Termination events**

Each Joint Lead Manager may terminate the Offer Management Agreement by notice in writing to the Issuer and the other Joint Lead Manager on the occurrence of certain termination events (subject to, in the case of some termination events only, satisfaction of specified materiality thresholds). These include:

- a change in the law which does or is likely to prohibit, restrict or regulate the Offer;
- ASX does not approve the admission of the Issuer or the quotation of BSB-sB on ASX;
- the Issuer terminates or fails to comply with its obligations under a significant or material contract referred to in Section 8 of this Prospectus, without the consent of the Joint Lead Managers;

<sup>1</sup> Agreement is expressed to commence three months prior to practical completion.

## Additional information continued

- the Issuer fails to lodge this Prospectus with ASIC or withdraws this Prospectus or the Offer;
- the Issuer is in default of any material terms and conditions under the Offer Management Agreement or breaches any warranty, undertaking or covenant made or given by the Issuer under the Offer Management Agreement (subject to the ability of the Issuer to remedy that default or breach);
- the Issuer alters its constitution or the Trust Deed or the Terms are amended other than as contemplated under this Prospectus, without the prior written consent of the Joint Lead Managers;
- the Issuer disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property other than as contemplated in the Prospectus, without the prior consent of the Joint Lead Managers;
- there is an outbreak, or a major escalation, of hostilities or a major act of terrorism occurs in Australia, New Zealand, the United Kingdom, the United States of America or a number of other jurisdictions;
- a material adverse change occurs in the assets, liabilities, financial position or performance, profits, losses or prospects of the Issuer;
- there is a material omission, or a misleading or deceptive statement, in the Prospectus, or it is unlikely that a forecast in the Prospectus will be met, or the Prospectus does not comply with all applicable laws, regulations and Listing Rules;
- a statement in any confirmation certificate given under the Offer Management Agreement is untrue or incorrect in a material respect;
- any information supplied by or on behalf of the Issuer to the Joint Lead Managers in relation to BSB-sB, the Issuer, or the Offer is materially untrue, incorrect, misleading or deceptive;
- a Joint Lead Manager reasonably forms the view that a supplementary or replacement document must be lodged with ASIC under Section 719 of the *Corporations Act* and the Issuer fails to do so;
- a person whose consent is required to being named in the Prospectus withdraws their consent;
- ASIC:
  - applies for an order under Section 1324B of the *Corporations Act* in relation to the Prospectus and the application is not dismissed or withdrawn before the Issue Date;
  - holds or gives notice of intention to hold a hearing in relation to the Prospectus or makes an interim order under Section 739(3) of the *Corporations Act*; or
  - applies for an order under Part 9.5 in relation to the Prospectus or ASIC commences any investigation or hearing under Part 3 of the *ASIC Act 2001* (Cth) in relation to the Prospectus;
- any person gives a notice under Section 730 of the *Corporations Act* in relation to the Prospectus;
- a Director of the Issuer (or other Brookfield Multiplex Group members) is charged with an indictable offence relating to a financial or corporate matter or is disqualified from managing a corporation;
- any governmental agency commences any public action against a member of the Brookfield Multiplex Group (including the Issuer) or any of the members' directors in their capacity as directors of the member;
- a member of the Brookfield Multiplex Group (including the Issuer) or a director of the member engages in any fraudulent conduct or activity;
- insolvency of the Issuer and certain other liabilities in the Brookfield Multiplex Group;
- a change to the Board of Directors of a member of the Issuer occurs;
- the Issuer charges, or agrees to charge, the whole, or a substantial part, of its business or property (other than as disclosed in the Prospectus);
- there is a suspension or limitation in trading in all securities quoted or listed on ASX, the New York Stock Exchange or the London Stock Exchange for at least one day on which that exchange is open for trading;
- the authorities declare a general moratorium on commercial banking activities in Australia, the United States of America or the United Kingdom, or a disruption in commercial banking or securities settlement or clearance services in those places;
- any adverse change or disruption to the financial markets of, political or economic conditions of, or currency exchange rates or controls in, Australia, the United States of America or the United Kingdom, or the international financial markets or any adverse change in national or international political, financial or economic conditions; or
- a prospective adverse change in taxation affecting the Issuer or BSB-sB.

#### 8.10.4 Indemnity

Subject to certain exclusions relating to, among other things, fraud, recklessness, wilful default, gross misconduct, material breach of the law or the Offer Management Agreement and gross negligence of the indemnified parties (to the extent not caused or contributed to by the Issuer), the Issuer indemnifies the Joint Lead Managers and certain affiliated parties against certain liabilities and losses incurred or sustained directly or indirectly as a result of certain events occurring in connection with the Offer.

#### 8.11 Costs of the Offer

Pursuant to an indemnity agreement between the Issuer and Brookfield Multiplex Limited, all costs relating to the Offer will be borne by Brookfield Multiplex Limited. Pursuant to the Loan Agreement, the Property Owner must reimburse the Issuer for all costs incurred in connection with the Loan, including ongoing fees, expenses and other costs incurred in connection with BSB-sB.

#### 8.12 Consents

Each of the parties (referred to as Consenting Parties) who are named below:

- has given and has not, before the lodgement of this Prospectus with ASIC, withdrawn its written consent to be named in this Prospectus in the form and context in which it is named;
- has not made any statement in this Prospectus or any statement on which a statement made in this Prospectus is based other than as specified in paragraphs (5) to (8) below;
- has not authorised or caused the issue of this Prospectus, and makes no representation or warranty, express or implied, as to the fairness, accuracy or completeness of the information contained in this Prospectus;
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any statements in or omissions from this Prospectus (other than the reference to its name, a statement included in this Prospectus with the consent of that Consenting Party and as specified in paragraphs (5) to (8) below) and excludes and disclaims all liability or any damage, loss (whether direct, indirect or consequential), cost or expense that may be incurred as a result of this Prospectus being inaccurate or incomplete in any way for any reason;
- in the case of PricewaterhouseCoopers Securities Limited, has given and has not, before the lodgement of this Prospectus with ASIC, withdrawn its written consent to the inclusion of the Investigating Accountant's Report in the form and context in which it appears in Section 5.4;
- in the case of PricewaterhouseCoopers, has given and has not, before the lodgement of this Prospectus with ASIC, withdrawn its written consent to the inclusion of the tax information in the form and context in which it appears in Section 7;
- in the case of CB Richard Ellis (V) Pty Ltd, has given and has not, before the lodgement of this Prospectus with ASIC, withdrawn its written consent to the inclusion of the overview of the valuation report in the form and context in which it appears in Section 4.9; and
- in the case of Risk Management Group Pty Ltd, has given and has not, before the lodgement of this Prospectus with ASIC, withdrawn its written consent to the inclusion of references to the technical due diligence report in the form and context in which they appear.

Role	Consenting Parties
Joint Lead Managers	Westpac Institutional Bank and Evans & Partners
Investigating Accountant	PricewaterhouseCoopers Securities Limited
Tax Adviser	PricewaterhouseCoopers
Legal Adviser (Australia)	Mallesons Stephen Jaques
Legal Adviser (New Zealand)	Russell McVeagh
Trustee	Australian Executor Trustees Limited
Registry	Registries Limited
Property Valuer	CBRE
Technical Due Diligence Adviser	Risk Management Group Pty Ltd
Brookfield Arranger	Brookfield Australia Funds Management Limited
Property Manager	Brookfield Multiplex Services Pty Limited
Property Owner	Brookfield Multiplex SX West Tower Landowner Pty Ltd as trustee for Brookfield Multiplex SX West Tower Landowning Trust
Holding Trust	Brookfield Multiplex SX West Tower Holdings Pty Ltd as trustee for Brookfield Multiplex SX West Tower Holdings Trust

## Additional information continued

### 8.13 Interest of advisers

The Joint Lead Managers are entitled to the fees set out in Section 8.10.1. The Joint Lead Managers will be responsible for any fees payable to the Syndicate Brokers.

PricewaterhouseCoopers Securities Limited has undertaken a review of the Financial Information disclosed in this Prospectus. In respect of this work, Brookfield Multiplex Limited estimates that it will pay approximately \$55,000 (excluding disbursements and GST) to PricewaterhouseCoopers Securities Limited for work up to the date of this Prospectus. Further amounts may be paid to PricewaterhouseCoopers Securities Limited under their normal time-based charges.

PricewaterhouseCoopers has acted as tax adviser to the Issuer in relation to the Offer and has prepared the tax opinion contained in Section 7. In respect of this work, Brookfield Multiplex Limited estimates that it will pay approximately \$17,000 (excluding disbursements and GST) to PricewaterhouseCoopers for work up to the date of this Prospectus. Further amounts may be paid to PricewaterhouseCoopers under their normal time-based charges.

Mallesons Stephen Jaques has acted as Australian legal adviser to the Issuer in relation to the Offer and has performed work in relation to drafting the Terms and related documents, advising on the due diligence and verification program and performing due diligence required on certain legal matters and in relation to the preparation of the Prospectus. In respect of this work, Brookfield Multiplex Limited estimates that it will pay approximately \$165,000 (excluding disbursements and GST) to Mallesons Stephen Jaques for work up to the date of this Prospectus. Further amounts may be paid to Mallesons Stephen Jaques under their normal time-based charges.

Russell McVeagh has acted as New Zealand legal adviser to the Issuer in relation to the Offer and has advised the Issuer in respect of the aspects of this Prospectus that relate specifically to the Offer of BSB-sB to the public in New Zealand under the mutual recognition regime for securities offerings. In respect of this work, Brookfield Multiplex Limited estimates that it will pay approximately NZ\$25,000 (excluding disbursements and GST) to Russell McVeagh for work up to the date of this Prospectus. Further amounts may be paid to Russell McVeagh under their normal time-based charges.

Australian Executor Trustees Limited is acting as trustee for Holders under the Trust Deed. In respect of this role, Brookfield Multiplex Limited estimates that it will pay an establishment fee of \$5,000 and the Property Owner estimates that it will pay an ongoing fee of \$25,000 per annum (excluding disbursements and GST) and certain legal expenses to, or on behalf of, Australian Executor Trustees Limited.

CBRE is acting as Property Valuer and has prepared the Independent Valuation Report. In respect of this work, Brookfield Multiplex Limited estimates that it will pay CBRE a fee of approximately \$15,000 (excluding disbursements and GST).

Risk Management Group Pty Ltd is acting as Technical Due Diligence Adviser and has prepared the Technical Due Diligence report. In respect of this work, Brookfield Multiplex Limited estimates that it will pay Risk Management Group Pty Ltd a fee of approximately \$7,800 (excluding disbursements and GST).

Except as set out in this Prospectus, no person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of the Prospectus, a promoter of the Issuer or broker to the Offer:

- holds, at the time of lodgement of this Prospectus with ASIC, or has held in the two years before lodgement of this Prospectus with ASIC, an interest in:
  - the formation or promotion of the Issuer;
  - the Offer; or
  - any property acquired or proposed to be acquired by the Issuer in connection with the formation or promotion of the Issuer or the Offer; or
- has paid or agreed to pay any amount, and no one has given or agreed to give any benefit for services provided by that person, in connection with the formation or promotion of the Issuer or the Offer.

### 8.14 Interest of Directors

The current directors of the Issuer are:

- Ross McDiven;
- Brian Kingston; and
- Russell Proutt.

As at the date of this Prospectus, no Director of the Issuer holds any BSB-sB.

The Directors (and their related parties) may acquire BSB-sB offered under this Prospectus.

No Director or proposed Director holds at the time of lodgement of this Prospectus with ASIC, or has held in the two years before lodgement of this Prospectus with ASIC, an interest in:

- the formation or promotion of the Issuer;
- the Offer; or
- any property acquired or proposed to be acquired by the Issuer in connection with the formation or promotion of the Issuer or the Offer.

Other than as set out in Section 8.13, at the time of lodgement of this Prospectus with ASIC, no one has paid or agreed to pay any amount, and no one has given or agreed to give any benefit, to any Director or proposed Director:

- to induce that person to become, or qualify as, a Director; or
- for services provided by that person in connection with the formation or promotion of the Issuer or the Offer.

Directors receive nil remuneration for their services as a Director of the Issuer.

Brookfield Multiplex Limited has entered into a Director's deed with each Director, under which (among other things) the Director is entitled to be indemnified by the Issuer (to the maximum extent permitted by law) against liabilities incurred as a Director of the Issuer.

#### **8.15 Foreign selling restrictions**

As at the date of this Prospectus, no action has been taken to register or qualify BSB-sB or the Offer or otherwise to permit a public offering of BSB-sB outside Australia or New Zealand.

The distribution of this Prospectus (including an electronic copy) outside Australia or New Zealand may be restricted by law. If you come into possession of this Prospectus outside Australia or New Zealand, then you should seek advice on, and observe, any such restrictions. Any failure to comply with such restrictions may violate securities laws. This Prospectus does not constitute an offer or invitation in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

In particular, BSB-sB have not been and will not be registered under the US *Securities Act* or the securities laws of any state of the United States, and may not be offered or sold in the United States or to, or for the account or benefit of, a US Person.

Any offer, sale or resale of BSB-sB in the United States by any person (whether or not participating in the Offer) may violate the registration requirements of the US *Securities Act*. BSB-sB may be offered in a jurisdiction outside of Australia or New Zealand where such offer is made in accordance with laws of that jurisdiction.

The Issuer and the Joint Lead Managers reserved the right to offer BSB-sB under the Institutional Offer to any institutional investor outside Australia, where to do so would not be in breach of the securities law requirements of the relevant jurisdiction.

Each person submitting an Application Form will be deemed to have acknowledged that it is aware of the restrictions referred to in this section and to have represented and warranted that it is able to apply for and acquire BSB-sB in compliance with those restrictions.

#### **8.16 Privacy statement**

If you apply for BSB-sB, you will be asked to provide personal information to the Issuer (and the Joint Lead Managers or your Syndicate Broker, if you are a Broker Firm Applicant), the Brookfield Arranger and the Registry, on the Brookfield Arranger and Issuer's behalf.

The Issuer, the Brookfield Arranger, the Registry and the Joint Lead Managers (or your Syndicate Broker) will collect, hold and use that personal information to assess your Application, service your needs as a Holder, and provide facilities and services that you request and carry out appropriate administration. Information may be provided on a confidential basis to third party service providers (such as a mailing house), which may be located inside or outside of Australia, and otherwise as required or authorised by law.

Company and tax law requires some of the information to be collected. If you do not provide the information requested, your Application may not be able to be processed efficiently, if at all.

Under the *Privacy Act 1988* (Cth) and the *Privacy Act 1993* (New Zealand), as applicable, you may request access to your personal information held by or on behalf of the Issuer. You can request access to your personal information or obtain further information about the Issuer's management practices by contacting the Registry or the Issuer. If the Registry's record of your personal information is incorrect or out of date, it is important that you contact the Issuer or the Registry so that your records can be corrected.

## Additional information continued

### **8.17 ASX relief**

The Issuer has received in-principle confirmation from ASX that ASX would be likely to consider the Issuer's structure and the obligations or rights of any person in connection with BSB-sB are appropriate for the purposes of the Listing Rules.

### **8.18 ASIC relief**

The Issuer has received ASIC relief under Section 951B(1)(a) of the *Corporations Act* to allow the Issuer to include the Brookfield Arranger's Financial Services Guide in this Prospectus.

### **8.19 Credit ratings**

None of BSB-sB, the Issuer and the Guarantor Security Providers are rated. The Property is leased to a wholly owned subsidiary of the Commonwealth of Australia, Australia Post. Australia Post is rated AAA by Standard & Poor's.

This credit rating is current as at the date of this Prospectus but may be revised, withdrawn, suspended or downgraded by Standard & Poor's at any time. This credit rating reference is not a recommendation by Standard & Poor's to apply for BSB-sB offered under this Prospectus. Standard & Poor's has not consented to the use of its credit rating reference in this Prospectus and it is not liable for any statements in this Prospectus under Section 729(1) of the *Corporations Act*.

**Ratings are statements of opinion, not statements of fact or recommendations to buy, hold or sell any securities (including BSB-sB). In as much as they do not comment as to market price or suitability for a particular investor, ratings may be changed, withdrawn or suspended at any time.**

### **8.20 Governing law**

This Prospectus and the contracts that arise from the acceptance of the applications are governed by the law applicable in New South Wales and each Applicant submits to the non-exclusive jurisdiction of the courts of New South Wales.



Terms

# Appendix A

# Appendix A

## Terms

### 1 Form of BSB-sB

#### 1.1 Constitution under Trust Deed

BSB-sB are debt obligations of the Issuer constituted by, and owing under, the Trust Deed.

#### 1.2 Form

BSB-sB are issued in registered form by entry in the Register.

#### 1.3 Face Value

BSB-sB are issued fully paid with a Face Value of A\$100.00.

#### 1.4 Currency

BSB-sB are denominated in Australian dollars.

#### 1.5 Clearing System

The rights of a person holding an interest in the BSB-sB are subject to the rules and regulations of the Clearing System.

#### 1.6 Guarantee

BSB-sB are issued with the benefit of the guarantee set out in the Trust Deed pursuant to which the Guarantor Security Provider unconditionally and irrevocably guarantees payment to each Holder of all amounts at any time due for payment, or which will or may become due for payment, or which remain unpaid, by the Issuer to that Holder.

#### 1.7 No certificates

No certificates will be issued to Holders unless the Issuer determines that certificates should be available or are required by any applicable law.

#### 1.8 No other rights

The BSB-sB confer no rights on a Holder:

- (a) to vote at any meeting of shareholders of the Trustee, the Issuer or the Guarantor Security Provider;
- (b) to subscribe for new securities or to participate in any bonus issues of securities of the Issuer or the Guarantor Security Provider; or
- (c) to otherwise participate in the profits or property of the Issuer or the Guarantor Security Provider, except as set out in these Terms or the Trust Deed.

### 2 Interest

Each BSB-sB bears interest (**Interest**) on its Face Value from (and including) the Issue Date to (but excluding) the Maturity Date or its Redemption Date (if applicable) at the Interest Rate.

Interest is payable in arrear on each Interest Payment Date.

### 3 General provisions applicable to Interest

#### 3.1 Calculation of Interest amount

The amount of Interest payable on each BSB-sB for an Interest Period is calculated according to the following formula:

where:

$$\text{Interest payable} = \frac{\text{Interest Rate} \times \text{A\$}100 \times \text{N}}{365}$$

**N** means the number of days during that Interest Period.

#### 3.2 Notification of Interest payable

The Issuer must notify the Trustee and the Registrar of:

- (a) for each Interest Period, the amount of Interest payable; and
- (b) any amendment to the amount referred to in paragraph (a) arising from any extension or reduction in any Interest Period.

The Issuer must give notice under this clause 3.2 ("Notification of Interest payable") as soon as practicable after it makes its calculations. However, it must give notice of the amount of Interest payable on each BSB-sB for the Interest Period by the fourth day of that Interest Period.

The Issuer may amend its calculation or determination of any amount, item or date (or make appropriate alternative arrangements by way of adjustment) as a result of the extension or reduction of the Interest Period without prior notice but must notify the Guarantor Security Provider, the Trustee and the Registrar promptly after doing so.

#### 3.3 Determination final

The determination by the Issuer of all amounts, rates and dates falling to be calculated or determined by it under these Terms is, in the absence of manifest or proven error, final and binding on the Issuer, the Trustee, the Registrar and each Holder.

#### 3.4 Calculations

For the purposes of any calculations required under these Terms:

- (a) all percentages resulting from the calculations must be rounded, if necessary, to the nearest ten-thousandth of a percentage point (with 0.00005% being rounded up to 0.0001%);
- (b) all figures must be rounded to four decimal places (with 0.00005 being rounded up to 0.0001); and
- (c) all amounts that are due and payable must be rounded to the nearest one Australian cent (with 0.5 of a cent being rounded up to 1 cent).

## **4 Redemption and purchase**

### **4.1 Scheduled redemption**

Each BSB-sB is Redeemable by the Issuer on the Maturity Date at its Face Value unless:

- (a) the BSB-sB has been previously Redeemed; or
- (b) the BSB-sB has been purchased by the Issuer and cancelled.

### **4.2 Early redemption of a BSB-sB for taxation reasons**

If, as a result of any change in, or amendment to, the laws of a Relevant Tax Jurisdiction, or any change in their application or official or judicial interpretation, which change becomes effective after the Issue Date, the Issuer is required to pay an Additional Amount or the Guarantor Security Provider would be required to increase the amount of any payment under the Guarantee if the Guarantee were called in respect of that BSB-sB, the Issuer may Redeem that BSB-sB in whole before the Maturity Date at its Face Value together with any Interest accrued on that BSB-sB to (but excluding) the Redemption Date.

However, the Issuer may only do so if:

- (a) the Issuer has given at least 15 Business Days' (and no more than 45 Business Days') notice to the Trustee, the Registrar and the Holders (and any stock exchange or other relevant authority on which the BSB-sB are quoted);
- (b) before the Issuer gives the notice under paragraph (a), the Trustee and Registrar have each received:
  - (i) a certificate signed by two Authorised Officers of the Issuer; and
  - (ii) an opinion of independent legal advisers of recognised standing in the jurisdiction of incorporation of the Issuer and in the Relevant Tax Jurisdiction, that the Issuer would be required under clause 8.2 ("Withholding tax"), or the Guarantor Security Provider under the Guarantee, to increase the amount of the next payment due in respect of the BSB-sB;
- (c) the proposed Redemption Date is an Interest Payment Date; and
- (d) no notice of Redemption is given earlier than 45 Business Days before the Interest Payment Date occurring immediately before the earliest date on which the Issuer would be obliged to pay any Additional Amounts.

### **4.3 Early redemption of a BSB-sB for loss of deductibility**

If, as a result of any change in, or amendment to, applicable laws, or any change in their application or official or judicial interpretation, which change becomes effective after the Issue Date, payment of Interest on a BSB-sB is not, or may not be, allowed as a deduction for the purposes of the Issuer's Australian income tax liability calculation, the Issuer may Redeem that BSB-sB in whole before the Maturity Date at its Face Value together with any Interest accrued on that BSB-sB to (but excluding) the Redemption Date.

However, the Issuer may only do so if:

- (a) the Issuer has given at least 15 Business Days' (and no more than 45 Business Days') notice to the Trustee, the Registrar and the Holders (and any stock exchange or other relevant authority on which the BSB-sB are quoted);
- (b) before the Issuer gives the notice under paragraph (a), the Trustee and the Registrar have each received:
  - (i) a certificate signed by two Authorised Officers of the Issuer; and
  - (ii) an opinion of independent legal or tax advisers of recognised standing in the jurisdiction of incorporation of the Issuer,that, as a result of any change in, or amendment to, applicable laws, or any change in their application or official or judicial interpretation, which change becomes effective after the Issue Date, payment of Interest on a BSB-sB is not, or may not be, allowed as a deduction for the purposes of the Issuer's Australian income tax liability calculation;
- (c) the proposed Redemption Date is an Interest Payment Date; and
- (d) no notice of Redemption is given earlier than 45 Business Days before the Interest Payment Date occurring immediately before the earliest date on which the Issuer is not, or may not be, allowed to claim payment of Interest as a deduction for the purposes its Australian income tax.

# Appendix A

## Terms continued

### 4.4 Early redemption of a BSB-sB at the option of the Issuer

The Issuer may Redeem all of the BSB-sB before the Maturity Date under this clause 4.4 ("Early redemption of a BSB-sB at the option of the Issuer") by paying to each Holder of a BSB-sB:

- (a) the Face Value of the BSB-sB; plus
- (b) any Interest accrued on the BSB-sB to (but excluding) the Redemption Date; plus
- (c) (subject to this clause 4.4 ("Early redemption of a BSB-sB at the option of the Issuer")) the Early Redemption Payment.

However, the Issuer may only do so if the Issuer has given at least 15 Business Days' (and no more than 45 Business Days') notice to the Trustee, the Registrar and the Holders (and any stock exchange or other relevant authority on which the BSB-sB are quoted).

If, at the time any notice of Redemption is given under this clause 4.4 ("Early redemption of a BSB-sB at the option of the Issuer"), a Widespread Tax Event is then subsisting, no Early Redemption Payment will be payable under clause 4.4(c) on the Redemption Date.

### 4.5 Early Redemption of a BSB-sB following a Permitted External Disposal

- (a) The Issuer must give at least 15 Business Days' (and no more than 45 Business Days') notice to the Trustee, the Registrar and the Holders (and any stock exchange or other relevant authority on which the BSB-sB are quoted) of any proposed Permitted External Disposal pursuant to clause 14.5 ("Permitted Disposals") of the Trust Deed.
- (b) If the Holder of a BSB-sB notifies the Issuer, during the Early Redemption Option Period, that it requires that BSB-sB to be Redeemed, the Issuer must Redeem that BSB-sB by paying to the Holder an amount equal to:
  - (i) the Face Value of the BSB-sB; plus
  - (ii) any Interest accrued on the BSB-sB to (but excluding) the Redemption Date; plus
  - (iii) the Early Redemption Payment.
- (c) Any Redemption:
  - (i) under this clause 4.5 ("Early Redemption of a BSB-sB for a Permitted Disposal"); or
  - (ii) under clause 4.4 ("Early redemption of a BSB-sB at the option of the Issuer") in connection with a Permitted External Disposal,

must occur on such date as may be determined by the Issuer (and notified by the Issuer to the Trustee), being a date which is no more than 15 Business Days following the occurrence of the Permitted External Disposal.

### 4.6 Effect of notice of redemption

Any notice of Redemption given under this clause 4 ("Redemption and purchase") is irrevocable.

### 4.7 Late payment

If an amount is not paid under this clause 4 ("Redemption and purchase") when due, then Interest continues to accrue on the unpaid amount (both before and after any demand or judgment) at the Interest Rate plus 2% per annum until the date on which payment is made to the Holder.

### 4.8 Purchase

- (a) The Issuer, any of its Related Bodies Corporate or any third party nominated by the Issuer may, at any time, purchase BSB-sB in the open market or otherwise and at any price.
- (b) If purchases are made by tender for the BSB-sB, tenders must be available to all Holders.
- (c) BSB-sB purchased under this clause 4.8 ("Purchase") may be held, resold or cancelled at the discretion of the purchaser and (if the BSB-sB are to be cancelled), the Issuer, subject to compliance with any applicable law (and any stock exchange or other relevant authority on which the BSB-sB are quoted).

## 5 Events of Default

### 5.1 Events of Default

An Event of Default occurs in relation to the BSB-sB if:

- (a) the Issuer or the Guarantor Security Provider does not pay any amount payable by it in respect of the BSB-sB on time and in the manner required under the Transaction Documents unless, in the case of a failure to pay on time, the Issuer or the Guarantor Security Provider pays the amount within three Business Days of the due date;
- (b) the Issuer or the Guarantor Security Provider becomes Insolvent;
- (c) a Transaction Document, or a transaction in connection with it, is or becomes (or is claimed to be) wholly or partly void, voidable or unenforceable or does not have (or is claimed not to have) the priority it is expressed to have ("claimed" in this clause 5.1 ("Events of Default") means claimed by the Issuer or the Guarantor Security Provider or anyone on its behalf); or
- (d) the Issuer or the Guarantor Security Provider:
  - (i) does not comply with its obligations under clause 12.1 ("Negative undertakings") of the Trust Deed; and
  - (ii) if the non-compliance can be remedied, does not remedy the non-compliance within 30 Business Days of being requested to do so by the Trustee; or
- (e) a Relevant Trust is terminated.

## 5.2 Consequences of an Event of Default

If any Event of Default occurs and continues unremedied in relation to the BSB-sB, then the Trustee may:

- (a) declare by notice to the Issuer and the Guarantor Security Provider (with a copy to the Holders and the Registrar) that all BSB-sB are to be Redeemed at their Face Value (together with any accrued Interest), in which case such amounts become immediately due and payable; and
- (b) take any action which it is permitted to take under the Security or clause 24.4 ("Enforcement on direction") of the Trust Deed.

## 5.3 Notification by the Issuer

If an Event of Default occurs, the Issuer must, promptly after becoming aware of it, notify the Trustee and the Registrar of the occurrence of the Event of Default (specifying details of it) and use its reasonable endeavours to promptly notify the Holders (and any stock exchange or other relevant authority on which the BSB-sB are quoted) of the occurrence of the Event of Default.

## 5.4 Notification by the Trustee

If an Event of Default occurs, the Trustee must as soon as is reasonably practicable after becoming aware of the Event of Default:

- (a) if the Issuer fails to do so under clause 5.3 ("Notification by the Issuer") notify all Holders of:
  - (i) the Event of Default;
  - (ii) any steps which the Trustee has taken, or proposed to take, under clause 5.2 ("Consequences of an Event of Default"); and
  - (iii) any steps which the Issuer or Guarantor Security Provider has notified the Trustee that it has taken, or proposed to take, to remedy the Event of Default; and
- (b) call a meeting of the Holders.

## 5.5 Enforcement on direction

Subject to the Transaction Documents and to Section 283DA(h) of the *Corporations Act*, the Trustee must take action to enforce the Transaction Documents in accordance with their terms where all the following conditions are met:

- (a) the Trustee is directed to take action by a Holder Resolution;
- (b) the Trustee is indemnified to its satisfaction, against:
  - (i) all actions, proceedings, claims and demands to which the Trustee may render itself liable by taking such action;
  - (ii) all Costs which the Trustee may incur in taking the action; and

- (iii) all management time spent by employees or officers of the Trustee in relation to such action which will be charged at the Trustee's standard hourly rates prevailing from time to time provided that such rates have been notified to the Issuer in writing; and
- (c) the action is permitted under the Transaction Documents.

## 5.6 Holder's right to take action

No Holder is entitled to proceed directly against the Issuer or the Guarantor Security Provider to enforce any right or remedy under or in respect of any BSB-sB, these Terms, the Trust Deed or any Security (including a right such as taking any action to recover any Secured Money) unless the Trustee, having become bound to proceed, fails to do so within 10 Business Days (or such longer period as may be reasonable in the circumstances) and such failure is continuing.

## 6 Title and transfer of BSB-sB

### 6.1 Title

Title to BSB-sB passes when details of the transfer are entered in the Register.

### 6.2 Effect of entries in Register

Each entry in the Register in respect of a BSB-sB constitutes:

- (a) an unconditional and irrevocable undertaking by the Issuer to the Holder to pay principal, interest and any other amount in accordance with these Terms; and
- (b) an entitlement to the other benefits given to Holders under these Terms, the Trust Deed and the Guarantee in respect of the BSB-sB.

### 6.3 Register conclusive as to ownership

Entries in the Register in relation to a BSB-sB constitute conclusive evidence that the person so entered is the absolute owner of the BSB-sB subject to correction for fraud or error.

### 6.4 Non-recognition of interests

Except as required by law, the Issuer, the Guarantor Security Provider, the Trustee and the Registrar must treat the person whose name is entered in the Register as the holder of a BSB-sB as the absolute owner of that BSB-sB. This clause 6.4 ("Non-recognition of interests") applies whether or not a BSB-sB is overdue and despite any notice of ownership, trust or interest in the BSB-sB.

### 6.5 Joint holders

Where two or more persons are entered in the Register as the joint holders of a BSB-sB, then they are taken to hold the BSB-sB as joint tenants with rights of survivorship, but the Registrar is not bound to register more than four persons as joint holders of any BSB-sB.

# Appendix A

## Terms continued

### **6.6 Transfers in whole**

BSB-sB may be transferred in whole but not in part.

### **6.7 Transfer**

A Holder may, subject to this clause 6.7 ("Transfer"), transfer any BSB-sB:

- (a) by a proper ASTC transfer according to the ASTC Operating Rules;
- (b) by a proper transfer under any other computerised or electronic system recognised by the *Corporations Act*;
- (c) under any other method of transfer which operates in relation to the trading of securities on any securities exchange outside Australia on which BSB-sB are quoted; or
- (d) by any proper or sufficient instrument of transfer of marketable securities under applicable law.

The Issuer must not charge any fee on the transfer of a BSB-sB.

### **6.8 Market obligations**

The Issuer must comply with all Applicable Regulations and any other relevant obligations imposed on it in relation to the transfer of a BSB-sB.

### **6.9 Issuer must request holding lock or refuse to register transfer**

- (a) The Issuer must request the CS Facility Operator or the Registrar, as the case may be, to apply a holding lock to prevent a transfer of BSB-sB approved by and registered on the CS Facility's electronic subregister or BSB-sB registered on an issuer-sponsored subregister, as the case may be, if the *Corporations Act* or the ASX Listing Rules require the Issuer to do so.
- (b) The Issuer must refuse to register any transfer of BSB-sB if the *Corporations Act* or the ASX Listing Rules require the Issuer to do so.

### **6.10 Notice of holding locks and refusal to register transfer**

If, in the exercise of its rights under clause 6.9 ("Issuer must request holding lock or refuse to register transfer"), the Issuer requests the application of a holding lock to prevent a transfer of BSB-sB or refuses to register a transfer of BSB-sB, it must, within five Business Days after the date the holding lock is requested or the refusal to register a transfer, give written notice of the request or refusal to the Holder, to the transferee and the broker lodging the transfer, if any. Failure to give such notice does not, however, invalidate the decision of the Issuer.

### **6.11 Delivery of instrument**

If an instrument is used to transfer BSB-sB according to clause 6.7 ("Transfer"), it must be delivered to the Registrar, together with such evidence (if any) as the Registrar reasonably requires to prove the title of the transferor to, or right of the transferor to transfer, the BSB-sB.

### **6.12 Refusal to register**

The Issuer may only refuse to register a transfer of any BSB-sB if such registration would contravene or is forbidden by Applicable Regulation or the Terms.

If the Issuer refuses to register a transfer, the Issuer must give the lodging party notice of the refusal and the reasons for it within five Business Days after the date on which the transfer was delivered to the Registrar.

### **6.13 Transferor to remain Holder until registration**

A transferor of a BSB-sB remains the Holder in respect of that BSB-sB until the transfer is registered and the name of the transferee is entered in the Register.

### **6.14 Effect of transfer**

Upon registration and entry of the transferee in the Register, the transferor ceases to be entitled to future benefits under the Trust Deed in respect of the transferred BSB-sB and the transferee becomes so entitled in accordance with clause 6.2 ("Effect of entries in Register").

### **6.15 Estates**

A person becoming entitled to a BSB-sB as a consequence of the death or bankruptcy of a Holder or of a vesting order or a person administering the estate of a Holder may, upon producing such evidence as to that entitlement or status as the Registrar considers sufficient, transfer the BSB-sB or, if so entitled, become registered as the holder of the BSB-sB.

### **6.16 Transfer of unidentified BSB-sB**

Where the transferor executes a transfer of less than all BSB-sB registered in its name, and the specific BSB-sB to be transferred are not identified, the Registrar may register the transfer in respect of such of the BSB-sB registered in the name of the transferor as the Registrar thinks fit, provided the aggregate of the Face Value of all the BSB-sB registered as having been transferred equals the aggregate of the Face Value of all the BSB-sB expressed to be transferred in the transfer.

## **7 Payments**

### **7.1 Summary of payment provisions**

Payments in respect of BSB-sB will be made in accordance with this clause 7 ("Payments").

### **7.2 Payments subject to law**

All payments are subject to applicable law, but without prejudice to the provisions of clause 8 ("Taxation").

### **7.3 Payments on Business Days**

If a payment:

- (a) is due on a BSB-sB on a day which is not a Business Day, then the due date for payment will be adjusted in accordance with the Following Business Day Convention; or
- (b) is to be made to an account on a Business Day on which banks are not open for general banking business in the place in which the account is located, then the due date for payment will be the first following Business Day on which banks are open for general banking business in that place,

and in either case, the Holder is not entitled to any additional payment in respect of that delay.

### **7.4 Payment of principal**

Payments of principal will be made to each person registered at 10.00am on the relevant Redemption Date or Maturity Date (as applicable) as the Holder of a BSB-sB.

### **7.5 Payment of Interest**

Payments of Interest in respect of a BSB-sB will be made to each person registered at the close of business on the Record Date as the Holder of that BSB-sB.

### **7.6 Payments to accounts**

Monies payable by the Issuer to a Holder may be paid in any manner the Issuer decides, including by any method of direct credit determined by the Issuer to the Holder or Holders shown on the Register or to such person or place directed by them.

### **7.7 Payments by cheque**

The Issuer may decide that payments in respect of the BSB-sB will be made by cheque sent by prepaid post on the payment date, at the risk of the registered Holder, to the Holder (or to the first named joint holder of the BSB-sB) at its address appearing in the Register at the close of business on the Record Date. Cheques sent to the nominated address of a Holder will be taken to have been received by the Holder on the payment date, and no further amount will be payable by the Issuer in respect of the BSB-sB as a result of the Holder not receiving payment on the due date.

### **7.8 Unsuccessful attempts to pay**

Subject to applicable law and the ASX Listing Rules, where the Issuer:

- (a) decides that an amount is to be paid to a Holder by a method of direct credit and the Holder has not given a direction as to where amounts are to be paid by that method;
- (b) attempts to pay an amount to a Holder by direct credit, electronic transfer of funds or any other means and the transfer is unsuccessful;
- (c) has made reasonable efforts to locate a Holder but is unable to do so; or
- (d) has issued a cheque which has not been presented within six months of its date, then the Issuer may cancel such cheque,

then, in each case, the amount is to be held on trust by the Issuer for the Holder in a non-interest bearing deposit with a bank selected by the Issuer until the Holder or any legal personal representative of the Holder claims the amount or the amount is paid by the Issuer according to the legislation relating to unclaimed moneys.

### **7.9 Payment to joint Holders**

A payment to any one of joint Holders will discharge the Issuer's liability in respect of the payment.

### **7.10 Currency**

The Issuer may decide that any payment in respect of a BSB-sB held by a NZ Holder will be made in NZ\$.

In that case:

- (a) the Issuer may convert the amount which would otherwise be payable by the Issuer in A\$ (**A\$ Amount**) into NZ\$ (**NZ\$ Amount**) at such rate (including the spot rate) as it reasonably considers appropriate. It may deduct its costs in connection with the conversion;
- (b) by the payment by the Issuer of the NZ\$ Amount to the NZ Holder, the Issuer will be taken to have fully satisfied its obligation to pay the NZ Holder the A\$ Amount in respect of the relevant BSB-sB; and
- (c) despite anything else in these Terms and the Transaction Documents, payment by the Issuer of the NZ\$ Amount to the NZ Holder may be made by the Issuer on the NZ Business Day immediately following the due date for payment if that due date for payment is not a NZ Business Day.

# Appendix A

## Terms continued

### 8 Taxation

#### 8.1 No set-off, counterclaim or deductions

All payments in respect of the BSB-sB must be made in full without set-off or counterclaim, and without any withholding or deduction in respect of Taxes, unless prohibited by law.

#### 8.2 Withholding tax

Subject to clause 8.3 ("Withholding tax exemptions"), if a law requires the Issuer to withhold or deduct an amount in respect of Taxes from a payment in respect of the BSB-sB such that the Holder would not actually receive on the due date the full amount provided for under the BSB-sB, then:

- (a) the Issuer agrees to deduct the amount for the Taxes (and any further withholding or deduction applicable to any further payment due under paragraph (b) below); and
- (b) if the amount deducted or withheld is in respect of Taxes imposed by a Relevant Tax Jurisdiction, the amount payable is increased so that, after making the deduction and further deductions applicable to additional amounts payable under this clause 8.2 ("Withholding tax"), each Holder is entitled to receive (at the time the payment is due) the amount it would have received if no deductions or withholdings had been required to be made.

#### 8.3 Withholding tax exemptions

No Additional Amounts are payable under clause 8.2(b) ("Withholding tax") in respect of any BSB-sB:

- (a) to, or to a third party on behalf of, a Holder who is liable to such Taxes in respect of such BSB-sB by reason of the person having some connection with a Relevant Tax Jurisdiction other than the mere holding of such BSB-sB or receipt of payment in respect of the BSB-sB provided that a Holder shall not be regarded as having a connection with Australia for the reason that the Holder is a resident of Australia within the meaning of the Australian Tax Act where, and to the extent that, such taxes are payable by reason of Section 128B(2A) of the Australian Tax Act;
- (b) to, or to a third party on behalf of, a Holder who could lawfully avoid (but has not so avoided) such Taxes by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or similar case for exemption to any tax authority;
- (c) to, or to a third party on behalf of, a Holder who is an Offshore Associate and not acting in the capacity of a clearing house, paying agent, custodian, funds manager or responsible entity of a registered scheme within the meaning of the *Corporations Act*; or

- (d) to, or to a third party on behalf of, an Australian resident Holder or a non-resident Holder carrying on business in Australia at or through a permanent establishment of the non-resident in Australia, if the Holder has not supplied an appropriate tax file number, an Australian business number or other exemption details.

### 9 Limited recourse against the Issuer and the Guarantor Security Provider

#### 9.1 Limited recourse

The Issuer's liability and the Guarantor Security Provider's liability in connection with the Transaction Documents (including any transaction in connection with them) may be discharged from, and the recourse of the Trustee and the Holders is limited to, the Secured Property.

The realisation of the Secured Property and its application towards the Secured Money in accordance with the Transaction Documents constitutes a complete discharge of the Issuer's liability and the Guarantor Security Provider's liability to the Trustee and each Holder in connection with the Transaction Documents (including any transaction in connection with them).

#### 9.2 No proceedings

Neither the Trustee, a Holder or any person acting on their behalf may seek to recover any shortfall in the amounts which would otherwise be owing by the Issuer in connection with the Transaction Documents if clause 9.1 ("Limited recourse") did not apply (being the shortfall after the realisation of the Secured Property and its application towards the Secured Money). This includes bringing proceedings against the Issuer or the Guarantor Security Provider or applying to have Issuer or the Guarantor Security Provider wound up.

However, the Trustee, a Holder or any person acting on their behalf, may:

- (a) do anything necessary to enforce their rights in connection with the Secured Property; and
- (b) take proceedings to obtain:
  - (i) an injunction or other order to restrain any breach of the Transaction Documents by the Issuer or the Guarantor Security Provider; or
  - (ii) declaratory relief or other similar judgment or order as to the obligations of the Issuer or the Guarantor Security Provider under the Transaction Documents.

### 9.3 All Issuer's liabilities subject to limited recourse

Neither the Trustee nor any other person (including any Attorney appointed under a Security or any Receiver appointed to the Secured Property) may incur any liability on behalf of the Issuer or the Guarantor Security Provider, except a liability which is subject to this clause 9 ("Limited recourse against the Issuer and the Guarantor Security Provider").

### 9.4 Overriding application

This clause 9 ("Limited recourse against the Issuer and the Guarantor Security Provider") applies despite any other provision of the Transaction Documents.

## 10 General

### 10.1 Time limit for claims

A claim against the Issuer for a payment under a BSB-sB is void unless made within five years from the date on which payment first became due.

### 10.2 Voting

The Trust Deed contains provisions for convening meetings of the Holders to consider any matter affecting their interests, including certain variations of these Terms which require the consent of the Holders.

### 10.3 Amendments

The Trust Deed contains provisions for the amendment of these Terms.

### 10.4 Notices

The Trust Deed contains provisions for the giving of notices.

### 10.5 Governing law

These Terms and the BSB-sB are governed by the laws in force in New South Wales.

## 11 Interpretation and definitions

### 11.1 Interpretation

In these Terms, except where the context otherwise requires:

- (a) the singular includes the plural and vice versa, and a gender includes other genders;
- (b) another grammatical form of a defined word or expression has a corresponding meaning;
- (c) a reference to a document includes all schedules or annexes to it;
- (d) a reference to a clause or paragraph is to a clause or paragraph of these Terms;
- (e) a reference to a document or instrument includes the document or instrument as novated, altered, supplemented or replaced from time to time;

- (f) a reference to "Australian dollars", "A\$" or "Australian cent" is a reference to the lawful currency of Australia;
- (g) a reference to **New Zealand dollars** or **NZ\$** is a reference to the lawful currency of New Zealand;
- (h) a reference to time is to Sydney, Australia time;
- (i) a reference to a person includes a reference to the person's executors, administrators, successors and permitted assigns and substitutes;
- (j) a reference to a person includes a natural person, partnership, body corporate, association, governmental or local authority or agency or other entity;
- (k) a reference to a statute, ordinance, code, rule, directive or law (however described) includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (l) the meaning of general words is not limited by specific examples introduced by "including", "for example" or similar expressions;
- (m) any agreement, representation, warranty or indemnity by two or more parties (including where two or more persons are included in the same defined term) binds them jointly and severally;
- (n) an Event of Default is subsisting if it has not been remedied or waived in writing; and
- (o) headings (including those in brackets at the beginning of paragraphs) are for convenience only and do not affect the interpretation of these Terms.

### 11.2 Definitions

A term which has a defined meaning in the Trust Deed has the same meaning when used in these Terms unless it is expressly defined in these Terms, in which case the meaning in these Terms prevails.

These meanings apply unless the contrary intention appears:

**Accession Deed** means a deed substantially in the form set out in, and completed in accordance with, schedule 6 ("Form of Accession Deed") of the Trust Deed or any other document approved by the Trustee for the purposes of clause 25.4 ("Accession of New Guarantor Security Provider") of the Trust Deed.

**Additional Amount** means an additional amount payable by the Issuer under clause 8.2 ("Withholding tax").

**Applicable Regulation** means such provisions of the *Corporations Act*, the ASX Listing Rules or the ASTC Operating Rules and any regulations or rules pursuant under or pursuant to any such provisions as may be applicable to the transfer.

# Appendix A

## Terms continued

**ASTC** means the ASX Settlement and Transfer Corporation Pty Ltd (ABN 49 008 504 532).

**ASTC Operating Rules** means the operating rules of ASTC.

**ASX** means ASX Limited (ABN 98 008 624 691) or the securities market operated by it, as the context requires.

**ASX Listing Rules** means the listing rules of ASX.

**Australian Tax Act** means the *Income Tax Assessment Act 1936* of Australia and, where applicable, the *Income Tax Assessment Act 1997* of Australia.

**Authorised Officer** means in respect of any party:

- (a) a director or company secretary of that company, or an officer of that company whose title contains the word "director", "chief", "head", "president", "manager" or "counsel" or a person performing the functions of any of them; or
- (b) any person nominated by that party as an authorised officer of that party for the purposes of the Transaction Document.

**Brookfield Multiplex SX West Tower Holdings Trust** means the Brookfield Multiplex SX West Tower Holdings Trust constituted pursuant to the trust deed dated 28 April 2006.

**Brookfield Multiplex SX West Tower Landowning Trust** means the Brookfield Multiplex SX West Tower Landowning Trust constituted pursuant to the trust deed dated 28 April 2006.

**BSB-sB** means a Brookfield Secured Bond Series B, being a debt obligation denominated in Australian dollars and issued, or to be issued, by the Issuer which is constituted by, and owing under, the Trust Deed, the details of which are recorded in, and evidenced by, entry in the Register.

**Business Day** means:

- (a) a day on which banks are open for general banking business in Sydney (not being a Saturday, Sunday or public holiday in that place); and
- (b) if a BSB-sB is to be issued or paid on that day, a day on which the Clearing System is operating.

**Clearing System** means:

- (a) the Clearing House Electronic Subregister System operated by ASTC; or
- (b) any applicable securities trading and/or clearance system on which the BSB-sB may be lodged or approved for entry.

**Corporations Act** means the *Corporations Act 2001* of Australia.

**Costs** includes costs, charges and expenses, including those incurred in connection with advisers.

**CS Facility** has the same meaning as "prescribed CS Facility" in the *Corporations Act*.

**CS Facility Operator** means the operator of a CS Facility.

**Deed of Consent** means the deed entitled "Deed of consent to security over Lease" dated on or about the date of the Trust Deed between the Property Owner, the Trustee and another.

**Designation Notice** means a notice substantially in the form set out in Schedule 4 to the Trust Deed.

**Directors** means some or all of the directors of the Issuer acting as a board.

**Early Redemption Option Period** means the period beginning on the day on which the Issuer gives notice of a proposed Permitted External Disposal to the Trustee and the Holders in accordance with clause 4.5(a). ("Early Redemption of a BSB-sB following a Permitted External Disposal") and ending on the day which is five Business Days prior to the date on which the proposed Permitted External Disposal is to occur.

**Early Redemption Payment** means, in respect of a BSB-sB:

- (a) if the BSB-sB is redeemed before the first anniversary of the Issue Date, \$5;
- (b) if the BSB-sB is redeemed on or after the first anniversary of the Issue Date but before the second anniversary of the Issue Date, \$4; and
- (c) if the BSB-sB is redeemed on or after the second anniversary of the Issue Date but prior to the Maturity Date, \$2.

**Event of Default** means the happening of any event set out in clause 5.1 ("Events of Default").

**Face Value** means the nominal principal amount of each BSB-sB, being A\$100.

**Following Business Day Convention** means that the date is postponed to the first following day that is a Business Day.

**Guarantee** means the guarantee and indemnity by the Guarantor Security Provider under the Trust Deed.

**Guarantor Security Provider** means each of the Property Owner and the Holding Trust and each other person who accedes to the Trust Deed as a "Guarantor Security Provider" in accordance with clause 25.4 ("Accession of new Guarantor Security Provider") of the Trust Deed.

**Holder** means, in respect of a BSB-sB, the person whose name is entered on the Register as the holder of that BSB-sB.

**Holding Trust** means Brookfield Multiplex SX West Tower Holdings Pty Ltd (ACN 119 449 802) in its capacity as trustee of the Brookfield Multiplex SX West Tower Holdings Trust.

**Holding Trust Charge** means the charge dated on or about the Trust Deed between the Holding Trust and the Trustee.

**Holder Resolution** means a resolution passed at a meeting of Holders of the BSB-sB, duly called and held (or by postal ballot or written resolution) under the Meeting Provisions:

- (a) by more than 50% of the persons voting on a show of hands (unless paragraph (b) below applies);
- (b) if a poll is duly demanded, then by a majority consisting of more than 50% of the votes cast; or
- (c) if the meeting is by postal ballot or written resolution, then by Holders representing (in aggregate) more than 50% of the Face Value of all of the BSB-sB then outstanding.

A person is **Insolvent** if:

- (a) it is (or states that it is) an insolvent under administration or insolvent (each as defined in the *Corporations Act*); or
- (b) it is in liquidation, in provisional liquidation, under administration or wound up or has had a Controller appointed to its property; or
- (c) it is otherwise unable to pay its debts when they fall due.

**Interest** has the meaning given in clause 2 ("Interest").

**Interest Payment Date** means, in respect of a BSB-sB, the day which is 14 days after the last day of each Interest Period and including the Maturity Date or any Redemption Date for that BSB-sB, adjusted if necessary in accordance with the Following Business Day Convention. The first Interest Payment Date is 14 April 2010.

**Interest Period** means, for a BSB-sB, each of the following quarterly periods:

- (a) 1 January to 31 March (inclusive);
- (b) 1 April to 30 June (inclusive);
- (c) 1 July to 30 September (inclusive); and
- (d) 1 October to 31 December (inclusive),

in each year. However:

- (i) the first Interest Period commences on (and includes) the Issue Date and ends on (and includes) 31 March 2010; and
- (ii) the final Interest Period ends on (but excludes) the Maturity Date or the Redemption Date of that BSB-sB (as applicable).

**Interest Rate** means 8.79% per annum.

**Issue Date** means the date on which the BSB-sB are issued.

**Issuer** means Brookfield Secured Bonds Series B Issuer Limited (ABN 44 139 569 529).

**Issuer Charge** means the charge dated on or about the date of this deed between the Issuer and the Trustee.

**Loan Agreement** means the loan agreement dated on or about the date of the Trust Deed between the Issuer and the Property Owner.

**Maturity Date** means the date which is three years after the Issue Date, adjusted if necessary in accordance with the Following Business Day Convention.

**Meeting Provisions** means the provisions for meetings of the Holders set out in schedule 3 to the Trust Deed.

**Mortgagee Deed** means the co-owners mortgagee side deed between the Property Owner, the Trustee and others.

**NZ Business Day** means a Business Day on which banks are open for general banking business in Auckland (not being a Saturday, Sunday or public holiday in that place).

**NZ Holder** means a Holder who nominates an account at a New Zealand financial institution for the purposes of it receiving payments in respect of its BSB-sB.

**Offshore Associate** means an associate (as defined in Section 128F of the Australian Tax Act) of the Issuer that is either:

- (a) a non-resident of Australia which does not acquire the BSB-sB in carrying on a business at or through a permanent establishment in Australia; or
- (b) a resident of Australia that acquires the BSB-sB in carrying on a business at or through a permanent establishment outside Australia.

**Permitted Disposal** means a Permitted External Disposal or a Permitted Internal Disposal, as applicable.

**Permitted External Disposal** means a sale, transfer or other disposal permitted by clause 14.5(b) ("Permitted Disposals") of the Trust Deed.

**Permitted Internal Disposal** means a sale, transfer or other disposal permitted by clause 14.5(a) ("Permitted Disposals") of the Trust Deed.

**Property Owner** means Brookfield Multiplex SX West Tower Landowner Pty Ltd (ACN 119 449 811) in its capacity as trustee of the Brookfield Multiplex SX West Tower Landowning Trust.

**Property Owner Charge** means the charge dated on or about the date of the Trust Deed between the Property Owner and the Trustee.

**Property Owner Mortgage** means the real property mortgage in respect of the Freehold Property dated on or about the date of the Trust Deed and granted by the Property Owner in favour of the Trustee.

# Appendix A

## Terms continued

**Property Owner Mortgage of Lease** means the mortgage of lease in respect of the Car Park Lease dated on or about the date of the Trust Deed and granted by the Property Owner in favour of the Trustee.

**Prospectus** means the prospectus dated on or about 12 October 2009.

**Receiver** includes a receiver or receiver and manager.

**Record Date** means, for payment of Interest, the date which is eight calendar days before the relevant Interest Payment Date and if that day is not a Business Day, then the previous day that is a Business Day.

**Redemption** means the redemption of a BSB-sB in accordance with clause 4 ("Redemption and purchase") and the words **Redeem**, **Redeemable** and **Redeemed** bear their corresponding meanings.

**Redemption Date** means, in respect of a BSB-sB, the date (other than the Maturity Date) on which the BSB-sB is Redeemed in whole.

**Register** means the register of Holders (established and maintained under clause 21 ("Register") of the Trust Deed) and, where appropriate, the term Register includes:

- (a) a subregister maintained by or for the Issuer under the *Corporations Act*, the ASX Listing Rules or ASTC Operating Rules; and
- (b) any branch register.

**Registrar** means Registries Limited (ABN 14 003 209 838) or any other person appointed by the Issuer to maintain the Register.

**Related Body Corporate** has the meaning given in the *Corporations Act*.

**Release Deed** means a deed substantially in the form set out in, and completed in accordance with, schedule 5 ("Form of Release Deed"), of the Trust Deed or any other documents approved by the Trustee as a "Release Deed" for the purposes of clause 25.4 ("Accession of new Guarantor Security Provider") of the Trust Deed.

**Relevant Tax Jurisdiction** means Australia, or any relevant political subdivision.

**Relevant Trust** means each of:

- (a) Brookfield Multiplex SX West Tower Holdings Trust; and
- (b) Brookfield Multiplex SX West Tower Landowning Trust.

**Secured Money** has the meaning it has in the Security.

**Secured Property** means all of the assets which from time to time are, or are expressed to be, the subject of the security interest created, or expressed to be created, pursuant to the Security.

**Security** means each of:

- (a) the Issuer Charge;
- (b) the Holding Trust Charge;
- (c) The Property Owner Charge;
- (d) The Property Owner Mortgage;
- (e) The Property Owner Mortgage of Lease; and
- (f) any other Transaction Documents designated as such by the Trustee, the Issuer and the Guarantor Security Provider.

**Security Provider** means the Issuer and the Guarantor Security Provider.

**Shares** means the right, title and interest of the Holding Trust in the ordinary shares of the Issuer held by it.

**Taxes** means taxes, levies, imposts, charges and duties (including stamp and transaction duties) imposed by any authority, together with any related interest, penalties, fines and expenses in connection with them, except if imposed on, or calculated having regard to, the net income of the Holder.

**Terms** means the terms and conditions of the BSB-sB as set out in schedule 2 to the Trust Deed.

**Transaction Documents** means:

- (a) the Trust Deed (including the Terms);
- (b) each Security;
- (c) the Loan Agreement;
- (d) the Mortgagee Deed;
- (e) the Deed of Consent;
- (f) each Accession Deed (if any);
- (g) the Release Deed (if any); and
- (h) any other document designated as a Transaction Document in a Designation Notice.

**Trustee** means Australian Executor Trustees Limited (ABN 84 007 869 794) as trustee of the trust constituted under the Trust Deed.

**Trust Deed** means the deed entitled "Trust Deed" between the Issuer, the Guarantor Security Provider and the Trustee.

A **Widespread Tax Event** subsists at any time if, on the next occurring Interest Payment Date, the aggregate Face Value of the BSB-sB in respect of which the Issuer would be entitled to give a notice of Redemption under clause 4.2 ("Early redemption of a BSB-sB for taxation reasons") or clause 4.3 ("Early redemption of a BSB-sB for loss of deductibility") is greater than 50% of the aggregate Face Value of all BSB-sB at that time.



## Appendix B

# Appendix B

## Glossary

<b>\$, A\$</b>	the lawful currency of Australia
<b>ABN</b>	Australian Business Number
<b>AEDT</b>	Australian Eastern District Time
<b>AFSL</b>	Australian financial services licence
<b>Agreement for Lease</b>	the agreement for lease dated 3 December 2007 between Australia Post, the Property Owner and BGSX Pty Limited (as trustee of the Southern Cross Discretionary Trust) and Exhibition Street Projects Pty Ltd (as trustee of the Exhibition Street Trust) and transferred to the Co-Owner by BGSX Pty Limited (as trustee of the Southern Cross Discretionary Trust) and Exhibition Street Projects Pty Ltd (as trustee of the Exhibition Street Trust) pursuant to a deed of covenant dated 24 September 2009
<b>Allocation</b>	the number of BSB-sB allocated to successful Applicants under the Offer
<b>Applicant</b>	a person who submits an Application
<b>Application(s)</b>	a valid application made under the Prospectus by using the applicable Application Form to apply for a specified number of BSB-sB
<b>Application Form</b>	the paper application form attached to, or accompanying, the Prospectus upon which an Application may be made
<b>Application Payment</b>	the monies payable on each Application, calculated as the number of BSB-sB applied for multiplied by the Face Value
<b>ASIC</b>	Australian Securities and Investments Commission
<b>ASX</b>	ASX Limited (ABN 98 008 624 691) or the securities market, the Australian Securities Exchange, operated by it, depending on the context
<b>Australia Post</b>	Australian Postal Corporation, being a statutory corporation under the <i>Australian Postal Corporation Act 1989</i> with the Commonwealth of Australia being the sole shareholder
<b>Board</b>	the board of directors of the Issuer
<b>Bookbuild</b>	the process described in Section 2.2.2
<b>Bookbuild Date</b>	the date on which the Bookbuild is completed, expected to be 19 October 2009
<b>Broker Firm Applicant</b>	an Australian or New Zealand resident client of a Syndicate Broker who applies for an allocation from that Syndicate Broker under the Broker Firm Offer
<b>Broker Firm Offer</b>	the invitation made to Australian or New Zealand resident clients of the Syndicate Brokers to apply for an allocation of BSB-sB from the relevant Syndicate Broker under the Prospectus
<b>Brookfield</b>	Brookfield Asset Management, Inc.
<b>Brookfield Arranger</b>	Brookfield Australia Funds Management Limited (ABN 81 104 643 629, AFSL number 231115)
<b>Brookfield Group</b>	Brookfield Asset Management, Inc., its subsidiaries and each related body corporate and related entity. "Brookfield Group" includes the Brookfield Multiplex Group
<b>Brookfield Multiplex Group</b>	Brookfield Multiplex Limited (ABN 96 008 687 063) and Brookfield Multiplex Property Trust (ARSN 106 643 387) and each subsidiary and each sub-trust
<b>Brookfield Multiplex Limited</b>	Brookfield Multiplex Limited (ABN 96 008 687 063)

<b>Brookfield Related Entity</b>	means (a) Brookfield Asset Management, Inc.;
	(b) each subsidiary, related corporation or partnership of Brookfield Asset Management, Inc.;
	(c) any entity, vehicle, partnership, trust or body corporate which Brookfield Asset Management, Inc. or any entity under paragraph (b) controls 20% or more of the voting rights on a winding up (either jointly or individually); and
	(d) any entity, vehicle, partnership, trust or body corporate where any entity referred to under paragraphs (a) or (b) is the trustee, manager or responsible entity
<b>Brookfield Secured Bonds Series B or BSB-sB</b>	mortgage debentures which are secured by the Security, including a first ranking mortgage over the Property Owner's 50% interest in the Property
<b>Builder</b>	Brookfield Multiplex Constructions Pty Limited (ABN 70 107 007 527)
<b>Business Day</b>	a day on which banks are open for general banking business in Sydney (not being a Saturday, Sunday or public holiday) and, if a BBS is to be issued or paid on that day, a day on which CHES is operating
<b>Car Park Lease</b>	The 99 year lease granted by SX Developments in respect of part of the land contained in Certificate of Title Volume 10934 Folio 214 in favour of the Property Owner, BGSX Pty Limited (as trustee of the Southern Cross Discretionary Trust) and Exhibition Street Projects Pty Ltd (as trustee of the Exhibition Street Trust) and the Co-owner assumed the obligations of BGSX Pty Limited (as trustee of the Southern Cross Discretionary Trust) and Exhibition Street Projects Pty Ltd (as trustee of the Exhibition Street Trust) in the lease pursuant to a deed poll dated 24 September 2009
<b>CBRE</b>	CB Richard Ellis (V) Pty Ltd (ABN 15 083 694 357)
<b>CHES</b>	Clearing House Electronic Subregister System operated by an associate of the ASX
<b>Closing Date</b>	the last day on which Applications will be accepted under the Offer, expected to be 5.00pm AEDT 18 November 2009 for General Applicants and 10.00am AEDT 18 November 2009 for Broker Firm Applicants
<b>Collection Account</b>	an account in the name of the Issuer into which the following amounts are to be deposited: (a) all amounts received by the Issuer in connection with the Loan Agreement; and (a) all rent, collections and other income (including any business interruption insurance proceeds) received by the Property Owner or the Holding Trust (net of certain expenses and taxes) in respect of the Property
<b>Consent Deed</b>	the deed of consent to security over lease to be entered into by the Property Owner, the Trustee and SX Developments, as summarised in Section 8.8.11
<b>Consenting Parties</b>	each of the parties referred to in Section 8.12
<b>Co-owner</b>	MTAA Superannuation Fund (SXW) Property Pty Ltd (ACN 133 142 668)
<b>Co-owners Agreement</b>	the agreement between the Property Owner, BGSX Pty Limited (as trustee of the Southern Cross Discretionary Trust) and Exhibition Street Projects Pty Ltd (as trustee of the Exhibition Street Trust) as novated and varied by deed titled "Accession Deed" between those parties and the Co-owner dated 24 September 2009 which sets out the terms and conditions of their co-ownership arrangement in respect of the Property, as summarised in Section 8.6
<b>Corporations Act</b>	the <i>Corporations Act 2001</i> (Cth)
<b>Cth</b>	Commonwealth of Australia

# Appendix B

## Glossary continued

<b>D&amp;C Contract</b>	the design and construct contract dated 3 December 2007 between the Property Owner, BGSX Pty Limited as trustee for the Southern Cross Discretionary Trust, Exhibition Street Projects Pty Ltd as trustee for the Exhibition Street Trust and the Builder as assigned by BGSX Pty Limited as trustee for the Southern Cross Discretionary Trust, Exhibition Street Projects Pty Ltd as trustee for the Exhibition Street Trust to the Co-owner pursuant to a deed of assignment dated 24 September 2009
<b>Directors</b>	some or all of the directors of the Issuer acting as a board
<b>Early Redemption Payment</b>	the Early Redemption Payment is calculated on the following basis: (a) if Redemption occurs before the first anniversary of the Issue Date, \$5 per BSB-sB; (b) if Redemption occurs on or after the first anniversary of the Issue Date but before the second anniversary of the Issue Date, \$4 per BSB-sB; and (c) if Redemption occurs on or after the second anniversary of the Issue Date but before the Maturity Date, \$2 per BSB-sB
<b>Evans &amp; Partners</b>	Evans and Partners Pty Ltd (ABN 85 125 338 785, AFSL number 318075)
<b>Event of Default</b>	the happening of any event set out in clause 5.1 of the Terms
<b>Exposure Period</b>	the seven day period after the date this Prospectus was lodged with ASIC during which the <i>Corporations Act</i> prohibits the acceptance of Applications. This period may be extended by ASIC by up to a further seven days
<b>Face Value</b>	the nominal principal amount of each BSB-sB, being A\$100
<b>Financial Information</b>	has the meaning as set out in Section 5 of this Prospectus
<b>Freehold Property</b>	Southern Cross West Tower, 111 Bourke Street, Melbourne, Victoria, being the land contained in Certificate of Title Volume 11152 Folio 364
<b>General Applicant</b>	an Australian or New Zealand resident who is not a Broker Firm Applicant
<b>General Offer</b>	the invitation made to General Applicants to apply for BSB-sB under this Prospectus
<b>GST</b>	goods and services tax
<b>Guarantee</b>	the guarantee and indemnity granted by the Guarantor Security Providers under the Trust Deed
<b>Guaranteed Money</b>	has the meaning given to it in Section 8.3.4
<b>Guarantor Security Providers</b>	each of the Property Owner and the Holding Trust
<b>Holder(s)</b>	a person whose name is registered in the Register as a holder of BSB-sB
<b>Holder Resolution</b>	a resolution passed at a meeting of Holders duly called and held (or by postal ballot or written resolution) under the meeting provisions in the Trust Deed: (a) by more than 50% of the persons voting on a show of hands (unless paragraph (b) below applies); (b) if a poll is duly demanded, then by a majority consisting of more than 50% of votes cast; or (c) if the meeting is by postal ballot or written resolution, then by Holders representing (in aggregate) more than 50% of the Face Value of all of BSB-sB then outstanding
<b>Holding Statement</b>	a statement issued to Holders by the Registry which sets out details of BSB-sB allotted to them under the Offer

<b>Holding Trust</b>	Brookfield Multiplex SX West Tower Holdings Pty Ltd (ACN 119 449 802) as trustee of the Brookfield Multiplex SX West Tower Holdings Trust
<b>Holding Trust Charge</b>	the fixed and floating charge granted by Holding Trust in favour of the Trustee as summarised in Section 8.4.4
<b>Institutional Investors</b>	persons in Australia to whom offers of BSB-sBs can be made without the need for a lodged prospectus, registration or other formality, who have been invited by the Joint Lead Managers to bid for BSB-sB
<b>Institutional Offer</b>	the invitation to certain Institutional Investors to bid for BSB-sB
<b>Interest Coverage Ratio (ICR)</b>	the ratio calculated as Net Operating Income for a relevant period divided by the interest payable on BSB-sB for that period
<b>Interest Payment Date</b>	the day which is 14 days after the last day of each Interest Period, the Maturity Date and any Redemption Date (adjusted if necessary so that if the last day falls on a weekend or public holiday, interest will be paid on the next Business Day)  The first Interest Payment Date is expected to be 14 April 2010
<b>Interest Period</b>	each of the following quarterly periods: <ul style="list-style-type: none"> <li>– 1 January to 31 March (inclusive);</li> <li>– 1 April to 30 June (inclusive);</li> <li>– 1 July to 30 September (inclusive); and</li> <li>– 1 October to 31 December (inclusive),</li> </ul> in each year. However: <ul style="list-style-type: none"> <li>– the first Interest Period commences on (and includes) the Issue Date and ends on (and includes) 31 March 2010; and</li> <li>– the final Interest Period ends on (but excludes) the Redemption Date or the Maturity Date (as applicable)</li> </ul>
<b>Interest Rate</b>	a fixed rate of 8.79% per annum
<b>Issue Date</b>	the date BSB-sB are issued to Holders under this Prospectus, which is expected to be 23 November 2009
<b>Issuer</b>	Brookfield Secured Bonds Series B Issuer Limited (ABN 44 139 569 529)
<b>Issuer Charge</b>	the fixed and floating charge granted by the Issuer in favour of the Trustee as summarised in Section 8.4.5
<b>Joint Lead Managers</b>	Westpac Institutional Bank and Evans & Partners
<b>Landlord</b>	has the meaning given to that term in Section 8.8
<b>Lease</b>	the lease between the Property Owner, BGSX Pty Limited (as trustee of the Southern Cross Discretionary Trust) and Exhibition Street Projects Pty Ltd (as trustee of the Exhibition Street Trust) and Australia Post in respect of the Freehold Property and transferred to the Co-Owner by BGSX Pty Limited (as trustee of the Southern Cross Discretionary Trust) and Exhibition Street Projects Pty Ltd (as trustee of the Exhibition Street Trust) pursuant to a deed of covenant dated 24 September 2009 and the Licences as summarised in Section 8.8

# Appendix B

## Glossary continued

<b>Licences</b>	<p>the:</p> <ul style="list-style-type: none"><li>– <b>Car Parking Licence:</b> Southern Cross West Tower dated 21 August 2009 between the Property Owner, BGSX Pty Limited (as trustee of the Southern Cross Discretionary Trust) and Exhibition Street Projects Pty Ltd (as trustee of the Exhibition Street Trust) and Australia Post and transferred to the Co-Owner by BGSX Pty Limited (as trustee of the Southern Cross Discretionary Trust) and Exhibition Street Projects Pty Ltd (as trustee of the Exhibition Street Trust) pursuant to a deed of covenant dated 24 September 2009; and</li><li>– <b>Basement Facilities Licence:</b> Southern Cross West Tower dated 21 August 2009 between the Property Owner, BGSX Pty Limited (as trustee of the Southern Cross Discretionary Trust) and Exhibition Street Projects Pty Ltd (as trustee of the Exhibition Street Trust) and Australia Post and transferred to the Co-Owner by BGSX Pty Limited (as trustee of the Southern Cross Discretionary Trust) and Exhibition Street Projects Pty Ltd (as trustee of the Exhibition Street Trust) pursuant to a deed of covenant dated 24 September 2009</li></ul>
<b>Listing Rules</b>	the listing rules of the ASX with any modifications or waivers which the ASX may grant to the Issuer from time to time
<b>Loan</b>	the loan from the Issuer to the Property Owner to be made on the Issue Date in accordance with the Loan Agreement, as summarised in Section 8.5
<b>Loan Agreement</b>	the loan agreement to be entered into between the Issuer and the Property Owner, as summarised in Section 8.5
<b>m</b>	million
<b>Maturity Date</b>	the date which is three years after the Issue Date (or the Business Day after that date, if the date falls on a day that is not a Business Day) and is expected to be 23 November 2012
<b>Mortgagee Deed</b>	mortgagee deed dated on or about 25 September 2009 entered into between the Property Owner, the Co-owner, Commonwealth Bank of Australia, and Australia and New Zealand Banking Group Limited as acceded to by the Trustee, as summarised in Section 8.7
<b>Net Operating Income (NOI)</b>	in relation to the Property means the Property Owner's 50% share of the gross rental income of the Property less any property operating expenses
<b>NYSE</b>	refers to the New York Stock Exchange
<b>NZ\$</b>	the lawful currency of New Zealand
<b>NZCO</b>	New Zealand Companies Office
<b>Offer</b>	the offer by the Issuer of BSB-sB under this Prospectus at an issue price of \$100 each, to raise \$65 million
<b>Offer Management Agreement</b>	the offer management agreement entered into between the Joint Lead Managers and the Issuer, as summarised in Section 8.10
<b>Offer Period</b>	the period from the Opening Date to the Closing Date
<b>Opening Date</b>	the day the Offer opens, expected to be 21 October 2009
<b>p.a.</b>	per annum
<b>Participating Broker</b>	any participating organisation of ASX selected by the Joint Lead Managers
<b>Permitted Debt</b>	has the meaning given to that term in Section 3.3.5

<b>Permitted External Disposal</b>	a sale of the Units and/or the Property Owner's 50% interest in the Property to a purchaser which is not a Brookfield Related Entity, where either all BSB-sB are to be redeemed or (if not all BSB-sB are to be redeemed) the purchaser agrees to become a party to all relevant Transaction Documents (including providing replacement security as applicable)
<b>Permitted Internal Disposal</b>	a sale of the Units and/or the Property Owner's 50% interest in the Property to a purchaser which is a Brookfield Related Entity, where the purchaser agrees to become a party to all relevant Transaction Documents (including providing replacement security as applicable)
<b>Property</b>	the Freehold Property and the Car Park Lease
<b>Property Manager</b>	Brookfield Multiplex Services Pty Limited (ACN 064 638 197)
<b>Property Owner</b>	Brookfield Multiplex SX West Tower Landowner Pty Ltd (ACN 119 449 811) as trustee of the Brookfield Multiplex SX West Tower Landowning Trust
<b>Property Owner Charge</b>	the fixed and floating charge to be granted by the Property Owner in favour of the Trustee, as summarised in Section 8.4.3
<b>Property Owner Mortgage</b>	the real property mortgage over the Property Owner's 50% interest in the Freehold Property to be granted by the Property Owner in favour of the Trustee, as summarised in Section 8.4.1
<b>Property Owner Mortgage of Lease</b>	the real property mortgage over the Property Owner's 50% interest in the Car Park Lease to be granted by the Property Owner in favour of the Trustee, as summarised in Section 8.4.2
<b>Prospectus</b>	this prospectus that was lodged with ASIC and NZCO on 12 October 2009 and, where the context requires, includes any replacement prospectus
<b>Record Date</b>	the date being eight calendar days before the relevant Interest Payment Date (and if that day is not a Business Day then the previous day that is a Business Day) whereby Holders registered on the Register on that date will be entitled to a payment of interest for the corresponding Interest Period
<b>Redemption</b>	the redemption of BSB-sB in accordance with clause 4 of the Terms. <b>Redeem</b> , <b>Redeemable</b> and <b>Redeemed</b> have corresponding meanings
<b>Redemption Date</b>	any date on which BSB-sB are Redeemed prior to the Maturity Date in accordance with the Terms
<b>Register</b>	the official register of Holders being maintained by the Registry on the Issuer's behalf and including any subregister established and maintained under CHES
<b>Registry</b>	Registries Limited (ABN 14 003 209 836) or any other registry that the Issuer appoints to maintain the Register
<b>Section</b>	a section of this Prospectus
<b>Secured Property</b>	all of the assets which from time to time are, or are expressed to be, the subject of a security interest created or expressed to be created pursuant to the Security
<b>Security</b>	each of the Issuer Charge, the Holding Trust Charge, the Property Owner Charge, the Property Owner Mortgage, the Property Owner Mortgage of Lease and any other security designated by the Trustee, the Issuer and the Guarantor Security Providers
<b>Settlement Date</b>	the Business Day immediately preceding the Issue Date, expected to be 20 November 2009

# Appendix B

## Glossary continued

<b>Special Resolution</b>	(a) a resolution passed at a meeting of the Holders duly called and held under the Transaction Documents: <ul style="list-style-type: none"><li>(i) by at least 75% of the persons voting on a show of hands (unless paragraph (b) below applies); or</li><li>(ii) if a poll is duly demanded, then by a majority consisting of at least 75% of the votes cast; or</li></ul> (b) a resolution passed by postal ballot or written resolution, then by Holders representing (in aggregate) at least 75% of the principal amount outstanding of all of BSB-sB
<b>SX Developments</b>	SX Developments Pty Ltd (ABN 53 089 138 090)
<b>Syndicate Broker</b>	any of the Joint Lead Managers or Participating Brokers
<b>Tax Event</b>	occurs if: <ul style="list-style-type: none"><li>– as a result of any change in, or amendment to, the laws of a relevant tax jurisdiction, or any change in their application or official or judicial interpretation, the Issuer is required to pay an additional amount under clause 8.2 of the Terms; or</li><li>– if as a result of any change in, or amendment to, applicable laws, or any change in their application or official or judicial interpretation, which change becomes effective after the Issue Date, interest on a BSB-sB is not, or may not be, allowed as a deduction for the purposes of Brookfield Group's Australian income tax liability calculation</li></ul> See clauses 4.2 and 4.3 of the Terms for further information
<b>Terms</b>	the terms and conditions of BSB-sB, as set out in Appendix A
<b>TFN</b>	Tax File Number
<b>Transaction Documents</b>	(a) the Trust Deed (including the Terms); (b) each Security; (c) the Loan Agreement; (d) the Mortgagee Deed; (e) the Deed of Consent; (f) each Accession Deed (if any); (g) the Release Deed (if any); and (h) any other document designated as a Transaction Document in a Designation Notice
<b>Trust Deed</b>	the trust deed between the Issuer, each Guarantor Security Provider and the Trustee, as summarised in Section 8.3
<b>Trustee</b>	Australian Executor Trustees Limited (ABN 84 007 869 794, AFSL number 240023)
<b>TSX</b>	Toronto Stock Exchange
<b>Units</b>	units issued by the Property Owner in respect of the Brookfield Multiplex SX West Tower Landowning Trust which are held by the Holding Trust
<b>US, USA or United States</b>	United States of America
<b>US Person</b>	has the meaning given in Regulation S of the US <i>Securities Act</i>
<b>US Securities Act</b>	United States <i>Securities Act of 1933</i> (United States), as amended
<b>Westpac Institutional Bank</b>	a division of Westpac Banking Corporation (ABN 33 007 457 141, AFSL number 233 714)
<b>Widespread Tax Event</b>	occurs if the Issuer would be entitled to Redeem greater than 50% of the aggregate Face Value of BSB-sB on issue as a result of the occurrence of a Tax Event. See clauses 4.2 and 4.3 of the Terms for further information



# Appendix C

## Brookfield Arranger's Financial Services Guide

### Financial Services Guide

of Brookfield Australia Funds Management Limited (ABN 81 104 643 629, AFSL number 231115) in relation to the offer of Brookfield Secured Bonds Series B

Brookfield Australia Funds Management Limited is liable and responsible for the contents of this Financial Services Guide, and Brookfield Secured Bonds Series B Issuer Limited has liability under the *Corporations Act* for the Prospectus.

This Financial Services Guide (**FSG**) dated 12 October 2009 is an important document we must give you under the requirements of the *Corporations Act 2001*. You should read it carefully and make sure you understand it. This FSG provides generic information about Brookfield Australia Funds Management Limited (**BAFML, we, our**) and the services we offer. This guide is intended to assist you in deciding whether to use any of the services offered.

#### About this Financial Services Guide

This FSG is intended to inform you of certain matters to assist you in deciding whether to use any of the products and/or services that we are authorised to provide. The matters covered in this FSG include:

- who we are;
- how we can be contacted;
- what services and types of products we are authorised to provide;
- details on how you can instruct us in relation to your investment;
- information about the capacity in which we act when providing services to you;
- fees and benefits we (and other related parties) are entitled to;
- how we handle your personal information; and
- details of our internal and external complaints handling procedures and how you can access them.

We are not authorised to provide you with any form of personal financial planning advice – it is your responsibility to obtain your own advice regarding the suitability of any products to your personal circumstances. As we do not provide personal advice, we will not provide you with a Statement of Advice.

#### About us

We are an Australian Financial Services Licensee (**AFSL**) under the *Corporations Act* (Licence number 231115). We are responsible for the financial services that we provide to you.

We are a related body corporate of Brookfield Secured Bonds Series B Issuer Limited (ABN 44136 569 529) (**Issuer**), and we have entered into an agreement with the Issuer to offer to arrange for the issue of the Brookfield Secured Bonds Series B (**BSB-sB**) in accordance with Section 911A(2)(b) of the *Corporations Act*.

Also, we are part of the Brookfield Multiplex Group.

#### Contact us

- by telephoning our Investor Relations team on 1800 570 000
- by emailing us at [clientservices@brookfieldmultiplex.com](mailto:clientservices@brookfieldmultiplex.com)
- by visiting our website at [www.brookfieldmultiplex.com](http://www.brookfieldmultiplex.com)
- by writing to us at:

Brookfield Multiplex  
Level 4  
1 Kent Street  
Millers Point NSW 2000

**Financial services we are authorised to provide**

The services we are authorised to provide, and the financial products to which those services may relate, under our AFSL are as follows:

1. Providing general financial product advice for:
  - interests in managed investment schemes (excluding investor directed portfolio services).
2. Deal in a financial product by issuing, applying for, acquiring, varying or disposing of a financial product in respect of:
  - derivatives;
  - foreign exchange contracts;
  - own managed investment schemes; and
  - securities.
3. Deal in a financial product by applying for, acquiring, varying or disposing of a financial product on behalf of another person in respect of:
  - deposit and payment products including basic deposit products, deposit products other than basic deposit products, and non-cash payment products;
  - derivatives;
  - foreign exchange contracts;
  - general insurance products;
  - debentures, stocks or bonds issued or proposed to be issued by a government;
  - interests in managed investment schemes (excluding investor directed portfolio services); and
  - securities.
4. In a capacity as responsible entity, operate registered managed investment schemes (including incidental property), which only hold the following types of property:
  - derivatives;
  - direct real property; and
  - financial assets.

In relation to the issue of the BSB-sB, the service we are providing is dealing in a financial product by arranging for the issue of securities.

**How can you instruct us?**

You must specify to your adviser or to us exactly what you want us to do. You may give us instructions by telephone, facsimile, in writing or any other means that we agree with you.

**In what capacity to we act?**

When providing the above financial services to you, we act in a principal capacity and not as a representative of any other person.

**How are we paid for the services provided?**

In accordance with our agreement with the Issuer, we will not receive any fees for arranging the issue of the BSB-sB. In relation to our authorised financial services generally, we will not receive fees other than in relation to acting as responsible entity for the Onyx Property Trust, which is a wholly owned sub-trust in the Brookfield Multiplex Group.

**How is my personal information dealt with?**

We maintain a record of items of personal information that you have provided to us, for example, as recorded in your account opening forms, financial product application forms or transaction documents. All personal information (as defined in the *Privacy Act 1988* (Cth) and the *Privacy Act 1993* (New Zealand)), as applicable, collected from you will be used and stored by us in accordance with our Privacy Policy. We are committed to ensuring the privacy of your personal information. If you would like a copy of our full Privacy Policy, please contact the Privacy Officer by email at [privacy.officer@brookfieldmultiplex.com](mailto:privacy.officer@brookfieldmultiplex.com) or visit our website at [www.brookfieldmultiplex.com](http://www.brookfieldmultiplex.com).

**What should I do if I have a complaint?**

You have the right to enquire into or complain about the operation of our products and services to the extent that it relates to you or your investment. If you have a concern or a complaint, please contact your financial planner or contact us directly by one of the methods set out earlier in this document.

We have established procedures to ensure that all enquiries and complaints are properly considered and dealt with. These procedures are set out in our Complaint Resolution Guide, a copy of which can be obtained by contacting the Complaints Officer by mail at:

Brookfield Multiplex  
Level 4  
1 Kent Street  
Millers Point NSW 2000

## Appendix C

# Brookfield Arranger's Financial Services Guide continued

If you are not satisfied with our handling of your complaint within 45 days of your initial communication, you can refer your complaint to:

Financial Ombudsman Service (FOS)

PO Box 579

Collins Street West

Melbourne VIC 8007

[www.fos.org.au](http://www.fos.org.au)

Phone: 1300 780 808

Fax: 03 9613 6399

Email: [info@fos.org.au](mailto:info@fos.org.au)

### **Compensation arrangements**

We have in place professional indemnity insurance/alternative insurance arrangements to professional indemnity insurance that has been agreed to by the Australian Securities and Investments Commission. The insurance covers claims made in relation to the conduct of our representatives and employees, including those representatives and employees who no longer work for us but did work for us at the time of the relevant conduct.

### **General advice warning**

Any financial product advice we provide is general advice and does not take into account your objectives, financial situation or needs (circumstances). Before acting on any such general advice, you should therefore consider the appropriateness of the advice having regard to your circumstances. We recommend that you obtain independent financial, legal and taxation advice and obtain and read the relevant product disclosure statement or prospectus before making any financial investment decision.

Corporate directory

**Issuer**

**Brookfield Secured Bonds Series B Issuer Limited**

Level 4  
1 Kent Street  
Millers Point NSW 2000

**Investigating Accountant**

**PricewaterhouseCoopers Securities Limited**

201 Sussex Street  
Sydney NSW 2000

**Tax Adviser**

**PricewaterhouseCoopers**

201 Sussex Street  
Sydney NSW 2000

**Legal Adviser (Australia)**

**Mallesons Stephen Jaques**

Level 61  
Governor Phillip Tower  
1 Farrer Place  
Sydney NSW 2000

**Legal Adviser (New Zealand)**

**Russell McVeagh**

Level 30  
Vero Centre  
48 Shortland Street  
Auckland 1010  
New Zealand

**Trustee**

**Australian Executor Trustees Limited**

Level 22  
207 Kent Street  
Sydney NSW 2000

**Registry**

**Registries Limited**

Level 7  
207 Kent Street  
Sydney NSW 2000

**Arrangers, Joint Lead Managers and Joint Bookrunners**

**Westpac Institutional Bank**

Level 3  
275 Kent Street  
Sydney NSW 2000

**Evans & Partners Pty Limited**

32 Jolimont Terrace  
Melbourne VIC 3002

**Enquiries**

Brookfield Secured Bonds Information Line 1800 766 011 (within Australia)  
or +61 2 9290 9600 (within New Zealand)  
(Monday to Friday – 8.30am to 5.30pm AEDT).

**Website**

[www.brookfieldsecuredbonds.com](http://www.brookfieldsecuredbonds.com)

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[www.brookfieldsecuredbonds.com](http://www.brookfieldsecuredbonds.com)

