

SECOND VARIATION OF DEBENTURE

between

THE AUCKLAND CITY COUNCIL

and

THE TRUSTEES EXECUTORS AND AGENCY COMPANY
OF NEW ZEALAND LIMITED



AUCKLAND CITY



SIMPSON GRIERSON

LAW

THIS DEED dated the 12th day of December 2000

BETWEEN THE AUCKLAND CITY COUNCIL a City Council duly constituted as a Territorial Authority under the Local Government Act 1974 ("Council")

AND THE TRUSTEES EXECUTORS AND AGENCY COMPANY OF NEW ZEALAND LIMITED an incorporated company having its registered office at Wellington ("Security Agent")

INTRODUCTION

- A. The Council and the Security Agent are parties to a deed of debenture dated 9 July 1998 (as varied by deed of variation dated 10 December 1998) ("Debenture").
- B. Pursuant to clause 13.1.1(b) of the Debenture, the Council and the Security Agent wish to make certain amendments to the Debenture, as set out in this Deed.
- C. The Security Agent is of the opinion that the amendments to the Debenture as set out in this Deed are desirable to facilitate the expedient issue of Security Certificates by the Council and are not (nor are likely to become) prejudicial to the general interests of the Security Holders.

WITNESSES AS FOLLOWS:

1. INTERPRETATION

In this Deed (including the introduction to this Deed), unless the context indicates otherwise:

- 1.1 **Construction:** All rules of interpretation and construction provided for in the Debenture shall apply to this Deed; and
- 1.2 **Definitions:** All terms which are used in this Deed and which are defined in the Debenture shall have the same meaning in this Deed as in the Debenture.

2. AMENDMENTS

The Debenture is amended, with effect on and from the date of this Deed, by inserting the new clause 5.4 as follows:

"5.4 SECURITY HOLDERS IN REGISTER

Where a Facility in respect of which the Council extends the benefit of this Deed consists of certificated or uncertificated notes, stock, bonds or any other debt instruments (each "Notes"), and the identity from time to time of the holders of those Notes is determined by reference to a register maintained in respect of those Notes, reference to the contents of that register in respect of that Facility in any Global Security Certificate and/or the Register shall be deemed to constitute entry of the names and addresses of those persons from time to time as Security Holders in the Register for the purposes of this Deed."

3. EXISTING DEBT

Notwithstanding the provisions of clause 2.13.2 of the Debenture, the Council will issue, as at the date of this Deed, a Global Security Certificate for the purposes of clause 14.1 as security for the Existing Debt as at the date of such certificate in replacement of the Global Security Certificate issued by Council for such indebtedness. The Council will by entry in the Register cancel the existing Global Security Certificate issued under clause 14.1 of the Debenture and will contemporaneously enter the details of the replacement Global Security Certificate.

4. SUPPLEMENTAL DEED

This Deed is supplemental to the Debenture, and together with the Debenture shall be read and construed together as one deed, and the words "this Deed" in the Debenture shall (except where inconsistent with the context) extend to and include this Deed.

5. GOVERNING LAW

This Deed shall be governed by, and construed in accordance with, the laws of New Zealand.

Executed as a deed.

THE COMMON SEAL of THE)
AUCKLAND CITY COUNCIL)
was affixed to this Deed at)
the Office of and in pursuance)
of a resolution of the Council,)
in the presence of:)

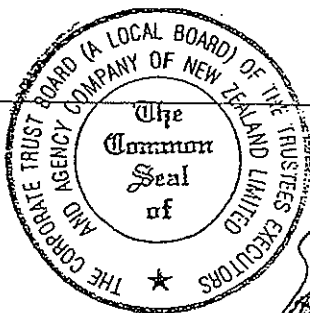


B. J. Doyle
Chief Executive

M. L. O'Neil
City Secretary

~~_____
Deputy Mayor~~

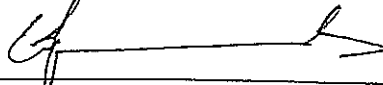
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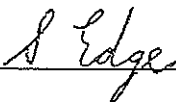
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SIGNED by the Local Board)
of THE TRUSTEES)
EXECUTORS AND AGENCY)
COMPANY OF NEW)
ZEALAND LIMITED by:)

~~Director~~
Authorised Signatory Glenn Alexander Clark


Authorised Signatory Cynica Neil Hardy

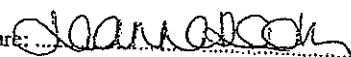
in the presence of:


Signature

Full Name
Stephanie Elwyn Edge
Administrative Assistant
Occupation Wellington

Address

Witness to Authorised Signatory's signature:

Signature: 
Joanna Petrina Hooker
(Print name in full) Secretary
Occupation: Auckland
Address: