

18. (1) Subject to the provisions of this clause as to payment in cash, every premium to which any person is entitled under the last preceding clause shall be satisfied by issuing to him additional new securities for the amount of such premium, or so much thereof as is not paid in cash, as the case may be.

(2) The local authority shall pay in cash the amount (if any) required to reduce to the nearest multiple of five pounds the aggregate amount of all such premiums to which any person is entitled, and may, if it thinks fit, pay in cash the whole or any part of the balance of any such aggregate amount.

(3) All payments of cash in accordance with the last preceding subclause that are not made out of any sinking fund pursuant to the provisions of this Order (if any) in that behalf shall be made by the local authority out of the local fund, and charged to the appropriate account.

(4) The power of the local authority to issue new securities in accordance with this Order shall be deemed to include the power to issue any additional new securities required for the purposes of this clause.

PLACE FOR PAYMENT OF PRINCIPAL AND INTEREST.

19. The principal and interest in respect of new securities shall be payable in New Zealand.

CONSOLIDATED SINKING FUND FOR NEW SECURITIES.

20. (1) In order to provide funds for the repayment of the new securities the local authority shall forthwith make provision for the creation, pursuant to a resolution of the local authority, of a consolidated sinking fund, of which the Public Trustee shall be the Commissioner.

(2) For such purpose the local authority shall permanently appropriate for payment on or before each of the maturity dates specified in the Third Schedule hereto a contribution equal to the aggregate amount of principal secured by the new securities maturing on such date, and shall pay each such contribution to the Public Trustee on or before the maturity date to which it relates:

Provided that every such contribution shall be diminished by the sum of eight hundred and fifty pounds, to be provided out of the other moneys for the time being in such sinking fund, or, if such other moneys do not amount to that sum, by the amount (if any) of such other moneys.

(3) The provisions of subsections four, five, and six of section ninety-five of the Local Bodies' Loans Act, 1926, shall apply with respect to such sinking fund.

SINKING FUND FOR UNCONVERTED SECURITIES.

21. (1) If dissent is signified in accordance with the provisions of this Order from the conversion of any existing securities issued in respect of any loan referred to in the First Schedule hereto, the local authority, in order to provide funds for the repayment of the unconverted securities issued in respect of such loan, shall forthwith make provision for the creation, pursuant to a resolution of the local authority, of a sinking fund, of which such persons as the local authority appoints shall be the Commissioners.

(2) For such purpose the local authority shall permanently appropriate a sum which bears the same proportion to the annual contribution payable, before the date of conversion, to the existing sinking fund of such loan as the aggregate amount of principal secured by such unconverted securities bears to the aggregate amount of principal secured by all the existing securities issued in respect of such loan, and shall pay such sum to the Commissioners yearly and every year until the maturity date of such unconverted securities, or until the Commissioners are satisfied that the accumulations of sinking fund will suffice to redeem such securities at maturity.

(3) The first of such yearly payments shall be made not later than one year after the date on which the last annual contribution payable before the date of conversion to the existing sinking fund of such loan was payable.

(4) Subject to the provisions of this Order, the provisions of sections forty to forty-four of the Local Bodies' Loans Act, 1926, shall, so far as applicable and with all necessary modifications, apply with respect to such sinking fund:

Provided that nothing in the said sections or in this Order shall authorize the removal or suspension of the Public Trustee as Commissioner of any sinking fund.

APPLICATION OF EXISTING SINKING FUNDS.

22. (1) As soon as practicable after the date of conversion the existing sinking fund of the No. 3 Ferry Loan referred to in the First Schedule hereto shall be applied by the Commissioners thereof in accordance with the following provisions of this clause.

(2) All debentures issued in respect of such loan and held by the Commissioners shall be transferred to the local authority to be cancelled. Such cancellation shall be effected by the local authority in the presence of the Commissioners or a person appointed by them for the purpose, and under the supervision of an officer appointed by the Audit Office to exercise such supervision at the expense of the local authority. On the cancellation of such debentures the liability of the local authority and of the Commissioners in respect of the debentures and of the moneys secured thereby shall forthwith cease.

(3) So much of such existing sinking fund as is not represented by the debentures referred to in the last preceding subclause shall, so far as it will extend, be applied in or towards making the following payments, in the following order of priority, namely:—

(a) First, in transferring to the Commissioners of the sinking fund hereinbefore required to be created for the unconverted securities issued in respect of such loan a sum which bears the same proportion to the amount of such existing sinking fund at the date of conversion as the aggregate amount of principal secured by such unconverted securities bears to the aggregate amount of principal secured by all the existing securities issued in respect of such loan;

(b) Secondly, in payment, in accordance with the directions of the local authority, of the costs and charges of and incidental to the conversion of any existing securities to which this Order applies (whether issued in respect of the said loan or of any other loan referred to in the First Schedule hereto), including any cash payments required or authorized by this Order to be made in respect of premiums; and

(c) Thirdly, in transferring the balance to the Commissioners of the consolidated sinking fund hereinbefore required to be created for the new securities, to be held as part of that sinking fund.