

(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.

19. The existing sinking fund of the loan referred to in the First Schedule hereto shall be applied by the Commissioners thereof in or towards making the following payments, in the following order of priority, namely:—

- (a) Firstly, 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 any cash payments required or authorized by this Order to be made in respect of premiums:
- (c) Thirdly, in redemption of existing securities that may be redeemed by the local authority pursuant to the power in that behalf conferred by the next succeeding clause:
- (d) Fourthly, if all the holders of the existing securities issued in respect of that loan consent thereto, in payment of the balance to the local authority.

REDEMPTION OF EXISTING SECURITIES.

20. (1) Where the whole of the existing securities issued in respect of any loan referred to in the First Schedule hereto are held by one holder, who is Commissioner of the existing sinking fund of such loan, the local authority may agree with such holder for the redemption of any such securities at the date of conversion.

(2) Payment of the moneys required for the purpose of any such redemption shall be made out of the existing sinking fund of the loan.

SECURITIES HELD BY TRUSTEES.

21. The provisions of sections twenty-two, twenty-three, and twenty-four of the New Zealand Debt Conversion Act, 1932-33 (relating to the adjustment of premiums as between capital and income and to the powers of trustees and other persons in relation thereto), shall apply with respect to existing securities converted into new securities in accordance with this Order in the same way as they apply with respect to securities converted under that Act, save that the references in the said section twenty-two to the first day of April, one thousand nine hundred and thirty-three, shall be construed as references to the day following the date of conversion.

BROKERAGE.

22. The local authority shall not, in respect of the conversion into new securities of any existing securities to which this Order applies, enter into any contract for the payment of brokerage at a rate exceeding one-quarter per centum of the amount of such existing securities.

FIRST SCHEDULE.

LOAN TO BE CONVERTED.

Name.	Amount.	Rate of Interest.		Date of Maturity.
		Original.	Existing.	
..	£ 50,000	Per Cent. 6	Per Cent. 4½	1st June, 1944.

SECOND SCHEDULE.

FORMS.

(1) Notice.

[Name of local authority.]

CONVERSION under the Local Authorities Interest Reduction and Loans Conversion Act, 1932-33, and the Loans Conversion Order, 19 , of debentures issued in respect of the following loans [Particulars of loans].

Notice is hereby given to the holders of debentures issued by the [Name of local authority] in respect of the above-mentioned loans that it is intended to convert all such debentures (except those in respect of which dissent is duly signified) into new debentures having new maturity dates and bearing interest at 4½ per cent. per annum.

The conversion will take effect from [Date of conversion].

Application for conversion must be made in writing and be accompanied by the securities to which it relates.

Dissent from the conversion of any existing debentures may be signified by the holder by notice in writing delivered to [Name or designation and address of at least one person authorized to receive dissents] on or before the day of , 19 .

If notice of dissent from the conversion of any debentures is not received by that date the debentures will be converted.

The rate of interest on any debentures in respect of which dissent is signified as aforesaid will, by virtue of section 18 of the above-mentioned Act, be reduced to two-thirds of the original rate.