

APPLICATION OF EXISTING SINKING FUNDS.

19. (1) The existing sinking fund of every 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; and
- (c) Thirdly, so far as it will extend, in repayment as at the date of conversion of the principal secured by the existing securities.

(2) Interest up to the date of conversion on any existing securities so repaid in accordance with paragraph (c) of the last preceding subclause shall be paid by the local authority out of the local fund.

CONSOLIDATED SPECIAL RATE.

20. (1) As a security for the new securities and the unconverted securities the local authority shall forthwith, by resolution gazetted (in the form numbered (3) in the Second Schedule hereto), make and levy a special rate over the whole of the district of the local authority to provide for the payment of the half-yearly instalment of principal and interest in respect of the new securities and of interest and sinking fund in respect of the unconverted securities.

(2) Subject to the provisions of this Order, the provisions of the Local Bodies' Loans Act, 1926, and of any other Act shall, so far as applicable and with all necessary modifications, apply with respect to such special rate, and with respect to the interest, instalments of principal, and other charges in respect of such securities, as if such special rate were made and levied in respect of a special loan raised under Part I of the said Local Bodies' Loans Act, 1926, and the local authority was a local authority and the Harbour District a district within the meaning of that Act.

(3) Upon the making of such special rate every special rate theretofore made in respect of any existing securities to which this Order applies shall be deemed to be cancelled.

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.

LOANS TO BE CONVERTED.

Name.	Amount.	Rate of Interest.		Date of Maturity.
		Original.	Existing.	
	£	Per Cent.	Per Cent.	
1922 Loan	25,000	6	4½	1st August, 1942.
1923 Loan	5,000	6	4½	1st February, 1943.
1925 Loan	10,000	6	4½	1st May, 1945.
1926 Loan	6,000	6	4½	1st November, 1962.
1928 Loan	600	6	4½	1st April, 1963.
Total	£46,600			

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