

(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 of £1,356 increased by an amount equal to 4 per centum of the amount of all new securities redeemed up to and including the previous maturity date.

(3) The amount of £1,356 mentioned in the preceding subclause shall be reduced by any annual sums payable to any sinking fund for unconverted securities pursuant to the next succeeding clause hereof.

(4) 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.

(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 one hundred and fifteen to one hundred and nineteen of the Harbours Act, 1923, 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) The existing sinking fund of the last 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) 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 any cash payments required to reduce to the nearest multiple of one hundred pounds the aggregate amount of all premiums to which any person is entitled;
- (c) Thirdly, as far as it will extend to the nearest multiple of one hundred pounds in repayment as at the date of conversion of the principal secured by the existing securities; and
- (d) Fourthly, 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.

(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.

23. The existing sinking fund of every loan referred to in the First Schedule (other than the loan referred to in the last preceding clause) shall be applied by the Commissioners thereof, so far as it will extend, 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); 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.