

SPECIAL RESOLUTION OF LOCAL AUTHORITY.

4. (1) If the local authority so resolves by a resolution passed and confirmed as provided by subsection two of section nine of the Act, it may, subject to and in accordance with the provisions of this Order, issue new securities in conversion of existing securities to which this Order applies.

(2) The following provisions of this Order shall come into force if such a resolution is passed and confirmed as aforesaid, but not otherwise :

Provided that a certificate signed by the Chairman of the local authority and published in the *Gazette* to the effect that such a resolution has been duly passed and confirmed shall be conclusive evidence of the facts therein certified.

DATE OF CONVERSION.

5. The date from which the conversion of existing securities into new securities shall take effect shall be the first day of June, one thousand nine hundred and thirty-four.

NOTICE TO HOLDERS OF EXISTING SECURITIES.

6. The local authority shall cause a notice in the form numbered (1) in the Second Schedule hereto, together with a copy of this Order, to be forwarded by registered letter before the date of conversion to the holder of the existing securities to which this Order applies.

RIGHT TO APPLY FOR OR DISSENT FROM CONVERSION.

7. The holder of any existing securities to which this Order applies may make application to the local authority in writing for the conversion of such securities into new securities in accordance with this Order. Every application under this clause shall be accompanied by the securities to which it relates.

8. If the holder of any existing securities to which this Order applies does not, within the time and in the manner provided by this Order, signify his dissent from the conversion of such securities into new securities, the existing securities shall be converted into new securities in the same manner as if application had been made under the last preceding clause.

9. Dissent from the conversion of any existing securities may be signified (a) at any time before the expiration of fourteen days from the date of conversion ; or (b) in the case of any particular holder, within such further time as the local authority may, on account of special circumstances, in its discretion allow.

10. The dissent of the holder of any existing securities from the conversion of those securities into new securities shall be signified in writing, and shall be deemed to be signified when such writing is received by the local authority or by any person authorized by the local authority to receive it.

SURRENDER OF CONVERTED SECURITIES, AND PAYMENT OF INTEREST THEREON.

11. The holder of any existing securities converted into new securities (whether the conversion is on application or after failure to dissent) shall not be entitled to demand payment of any instalment of principal and interest payable in respect of the existing securities, or to receive the new securities or any instalment of principal and interest payable in respect thereof, until he has surrendered the existing securities to the local authority.

12. Subject to the provisions of the last preceding clause, the interest on any such existing securities for the period ending on the date of conversion shall be payable not later than one month from the date of conversion.

NEW SECURITIES.

13. The aggregate amount of principal secured by the new securities to be issued in conversion of existing securities to which this Order applies, together with interest thereon computed at the rate of four and one-quarter per centum per annum, shall be repaid by equal half-yearly instalments over a period of thirty-one years, the first half-yearly instalment to fall due and be paid on the first day of December, one thousand nine hundred and thirty-four, and subsequent half-yearly instalments to fall due and be paid on every first day of June and first day of December thereafter, the last half-yearly instalment to fall due and be paid on the first day of June, 1965.

14. (1) New securities for each half-yearly instalment of principal and interest referred to in the preceding clause shall be issued in the form of debentures in the form numbered (2) in the Second Schedule hereto.

(2) All new debentures shall be numbered consecutively, and as between the holders thereof shall rank equally.

(3) Every new debenture shall state on its face the fact that the holder has no claim in respect thereof upon the Government or public revenues of New Zealand.

(4) Every new debenture shall be signed by the Chairman, countersigned by the Treasurer or some other officer appointed by the local authority for the purpose, and sealed with the common seal of the local authority.

PREMIUMS.

15. The holder of any existing securities to which this Order applies shall on the conversion of such securities be entitled to receive new securities for the same aggregate amount of principal as is secured by the existing securities, and, in addition thereto, shall be entitled to receive a premium on such principal computed in accordance with the Third Schedule hereto.

16. (1) Every premium to which any person is entitled under the last preceding clause shall be satisfied by payment of the amount thereof in cash.

(2) All payments of cash in accordance with the last preceding subclause shall be made by the local authority out of the local fund, and charged to the appropriate account.

PLACE FOR PAYMENT OF PRINCIPAL AND INTEREST.

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

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