

with the authority in that behalf conferred by clause nineteen of this Order; or (c) out of any moneys raised by the sale of new securities issued pursuant to the provisions of clause twenty of this Order 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.

19. The local authority is hereby authorized to pay out of any unexpended balances of loan-moneys in its hands at the date of the publication of this Order in the *Gazette* the whole or any part of the premiums to which any person is entitled under the provisions of this Order.

20. For the purpose of providing for cash premium payments the local authority may create, issue, and sell at par new securities for an aggregate amount not exceeding one thousand seven hundred and forty pounds, bearing interest at a rate not exceeding four and one-quarter per centum per annum, and redeemable at par on the first day of December, one thousand nine hundred and sixty-four.

#### PLACE FOR PAYMENT OF PRINCIPAL AND INTEREST.

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

#### CONSOLIDATED SINKING FUND FOR NEW SECURITIES.

22. (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 such persons as the local authority appoints shall be the Commissioners.

(2) For such purpose the local authority shall permanently appropriate and shall pay to the Commissioners of the consolidated sinking fund on each first day of December following the date of conversion up to and including the first day of December, one thousand nine hundred and sixty-four, a contribution of one thousand seven hundred and ninety-eight pounds, reduced in respect of each contribution by the aggregate of the sums which during the twelve months preceding the date of payment of such contribution have, pursuant to the provisions of the next succeeding clause, been paid to any sinking funds for unconverted securities.

(3) The provisions of sections forty to forty-four of the Local Bodies' Loans Act, 1926, shall apply with respect to such sinking fund.

#### SINKING FUND FOR UNCONVERTED SECURITIES.

23. (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 the persons who at the date of conversion were Sinking Fund Commissioners in respect of such loan shall be the first 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.

#### APPLICATION OF EXISTING SINKING FUNDS.

24. The existing sinking fund of every loan in the First Schedule hereto shall be applied by the Commissioners thereof in or towards making the following payments, in the following order or 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 authorized by this Order to be made in respect of premiums to which any holder is entitled on 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): Provided that the total payments made pursuant to this paragraph out of all the sinking funds shall not exceed two thousand five hundred and twenty-five pounds.
- (c) Thirdly, in payment in accordance with the directions of the local authority of the costs and charges, not exceeding three hundred pounds, of and incidental to the conversion of the existing securities to which this Order applies; 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.