

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 interest payable on 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 (including new securities to be issued by way of premium), together with interest thereon computed at the rate of four and one-quarter per centum per annum shall be repaid as follows:—

(a) By sixty equal payments of £12,773 ls. 3d., one of which shall be made at the end of every half-year commencing from the date of conversion, the first such payment to be made on the first day of January, one thousand nine hundred and thirty-five, and the last on the first day of July, one thousand nine hundred and sixty-four. Each such half-yearly payment shall be applied firstly in payment of interest, computed at the aforesaid rate of four and one-quarter per centum per annum, on the amount of principal for the time being outstanding at the beginning of the half-year, and the balance of such payment in reduction of such principal.

(b) By a payment on the first day of July, one thousand nine hundred and sixty-four, of a sum equal to the amount to which the principal has been reduced in accordance with the preceding paragraph (a) hereof after payment of the aforesaid sixty half-yearly payments of £12,773 ls. 3d.

14. (1) New securities for each of the payments referred to in paragraphs (a) and (b) of the last 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) The principal and interest payable under all such new securities shall be secured, to the like extent to which the principal and interest payable under the existing securities are secured, upon the rents, profits, and dues chargeable and receivable by the local authority as harbour or other dues, or in respect of the harbour works of the Port of Poverty Bay; and shall also be secured upon the special rate hereinafter mentioned to be made and levied in pursuance of clause 19 hereof.

(4) 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.

(5) 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) Subject to the provisions of this clause as to payment in cash, every premium to which any person is entitled under the last preceding clause shall be satisfied by issuing to him additional new securities for the amount of such premium, or so much thereof as is not paid in cash, as the case may be.

(2) The local authority shall pay in cash out of the existing sinking fund or out of the local fund the amount required to reduce to the nearest multiple of £100 the aggregate amount of all such premiums to which the holder of existing securities is entitled.

(3) 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.

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

EXISTING SINKING FUND.

18. Subject to the payment thereout in accordance with the directions of the local authority of any premium payments required by this Order to be made in cash, the sinking fund of the loan specified in the first column of the First Schedule hereto shall be held by the Commissioners thereof, together with all sums lawfully payable thereto, as security for the repayment of such of the securities issued in respect of the said loan or any part thereof (including securities to which the Act does not apply) as are not pursuant to this Order converted into new securities.

SPECIAL RATE.

19. (1) As a security for the new 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 instalments of principal and interest in respect of the new securities to be issued under clause 13 (a) hereof and also, in case the amount of the new security to be issued under clause 13 (b) hereof shall not be paid when the payment falls due, for the purpose of providing half-yearly instalments of principal and interest of like amounts in respect of such last-mentioned security.