

APPLICATION OF EXISTING SINKING FUNDS.

19. (1) The existing sinking fund of every loan referred to in the First Schedule hereto for which a sinking fund was provided 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; and
- (b) Secondly, as 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 (b) of the last preceding subclause shall be paid by the local authority out of the local fund.

ADDITIONAL SECURITY.

20. (1) In any case where the local authority has heretofore executed in favour of the holder of any existing securities issued in respect of any loan referred to in the First Schedule hereto any deed of mortgage or charge over any of its property or revenues, the local authority shall on the conversion of such loan, if so required by such holder, execute in his favour by way of additional security for the new securities and unconverted securities in respect of such loan a new deed of mortgage or charge corresponding as nearly as circumstances will permit to the terms of the existing deed.

(2) On the execution of any deed pursuant to the last preceding subclause the existing deed shall be surrendered to the local authority and 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.	
Capital Expenditure Special Loan of £100,000, 1926	100,000	6	4½	1st April, 1946.
Capital Expenditure Special Loan of £40,000, 1927	40,000	6	4½	1st May, 1947.
Capital Expenditure Special Loan of £21,000, 1930	21,000	5½	4½	1st March, 1950.
1917 Loan	8,000*	5½	4½	1st December, 1952.
1917 Loan	33,000*	5½	4½	1st June, 1953.
1921 Loan	4,000*	5½	4½	22nd May, 1957.
1913 Loan	10,000*	5	4½	31st July, 1949.
1919 Loan	6,500*	5½	4½	1st November, 1954.
	£222,500			

* Less amount of principal redeemed up to date of conversion.

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 or other securities issued in respect of the following loans [Particulars of loans].

Notice is hereby given to the holders of debentures or other securities issued by the [Name of local authority] in respect of the above-mentioned loans that it is intended to convert all such debentures or other securities (except those in respect of which dissent is duly signified) into new debentures having new maturity dates and bearing interest at 4½ per cent. per annum.

The conversion will take effect from [Date of conversion].

Application for conversion must be made in writing and be accompanied by the securities to which it relates.

Dissent from the conversion of any existing debentures or other securities may be signified by the holder by notice in writing delivered to [Name or designation and address of at least one person authorized to receive dissents] on or before the day

of , 19 .