

APPLICATION OF EXISTING SINKING FUNDS.

22. Out of the existing sinking fund of the Transport Development Loan referred to in the First Schedule hereto the Commissioners thereof shall set aside the sum of eight thousand seven hundred and sixty-eight pounds and shall apply the said sum of eight thousand seven hundred and sixty-eight pounds as follows :—

- (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 in respect of which such sinking fund is held ; and
- (b) Secondly, 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.

23. (1) Out of the existing sinking fund of the Auckland City Tramway Loan of one million two hundred and fifty thousand pounds referred to in the First Schedule hereto the Auckland City Sinking Fund Commissioners as Commissioners of such sinking fund shall set aside the sum of eighty-nine thousand two hundred and sixty-one pounds and shall apply the said sum of eighty-nine thousand two hundred and sixty-one pounds together with all interest accruing thereon as hereinafter provided :

- (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 in respect of which such sinking fund is held ; and
- (b) Secondly, as to the balance of the said sum of eighty-nine thousand two hundred and sixty-one pounds as provided in subclause three hereof.

(2) The existing sinking fund of the Auckland City Consolidated Supplementary Loan (1928) of twenty-eight thousand pounds referred to in the First Schedule shall be applied by Auckland Sinking Fund Commissioners as Commissioners thereof as follows :—

- (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 in respect of which such sinking fund is held ; and
- (b) Secondly, as to the balance thereof as provided in subclause three hereof.

(3) The balance of the sum of eighty-nine thousand two hundred and sixty-one pounds referred to in paragraph (b) of subclause one hereof, and the balance of the existing sinking fund of the Auckland City Consolidated Supplementary Loan (1928) of twenty-eight thousand pounds referred to in paragraph (b) of subclause two hereof shall be held by the Auckland City Sinking Fund Commissioners as one aggregate fund and applied in paying thereout to the Commissioners of the Consolidated Sinking Fund on each thirty-first day of March following the date of conversion until such aggregate fund is exhausted :

- (i) All interest accrued during the preceding twelve months on the amount of the balance of such aggregate fund for the time being in the hands of the Auckland City Sinking Fund Commissioners ; and, in addition,
- (ii) The sum of four thousand five hundred pounds, or if the amount in the hands of the said Auckland City Sinking Fund Commissioners on the thirty-first day of March in any year is less than four thousand five hundred pounds, the whole of the amount so held by such Commissioners.

CONSOLIDATED SPECIAL RATE.

24. (1) As a security for the new securities and the unconverted securities the local authority shall forthwith, by resolution gazetted (in the form numbered (4) 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 interest, sinking fund, and other charges in respect of such securities.

(2) Subject to the provisions of this Order, the provisions of the Local Bodies' Loans Act, 1926, and of any other Act shall, so far as applicable and with all necessary modifications, apply with respect to such special rate, and with respect to the interest and other charges in respect of such securities, as if such special rate were made and levied in respect of a special loan raised under Part I of the said Local Bodies' Loans Act, 1926.

(3) Upon the making of such special rate every special rate theretofore made in respect of any existing securities to which this Order applies shall cease to be a security for such existing securities.

SECURITIES HELD BY TRUSTEES.

25. 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.

26. 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.