

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 the outstanding principal represented by 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 twenty-three years, the first half-yearly instalment to fall due and be paid on the first day of October, one thousand nine hundred and thirty-five, and subsequent half-yearly instalments to fall due and be paid on every first day of April and first day of October thereafter, the last half-yearly instalment to fall due and be paid on the first day of April, one thousand nine hundred and fifty-eight.

14. (1) New securities for the amount of each half-yearly instalment 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.

15. As the existing securities to which this Order applies bear interest at a rate which, as reduced in accordance with Part I of the Act, does not exceed the rate of interest payable on the new securities, the holders of such existing securities shall on the conversion thereof be entitled to receive new securities for the same aggregate amount of principal as is secured by the existing securities, without premium.

PLACE FOR PAYMENT OF PRINCIPAL AND INTEREST.

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

CONSOLIDATED SPECIAL RATE.

17. (1) As a security for the new securities and the unconverted 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 and of interest, sinking fund, and other charges in respect of the unconverted 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 principal 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.

BROKERAGE.

18. 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.