

SURRENDER OF CONVERTED SECURITIES, AND PAYMENT OF INTEREST THEREON.

8. The holder of any existing securities converted into new securities shall not be entitled to demand payment of any 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.

9. 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.

10. The aggregate amount of principal secured by the new securities to be issued in conversion of existing securities issued in respect of the first loan specified in the First Schedule hereto, 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 August, one thousand nine hundred and thirty-five, and subsequent half-yearly instalments to fall due and be paid on every first day of February and first day of August thereafter, the last half-yearly instalment to fall due and be paid on the first day of February, one thousand nine hundred and fifty-eight.

11. (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.

PREMIUMS.

12. The holder of any existing securities issued in respect of the first loan specified in the First Schedule hereto 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 in respect of the amount of principal represented by such new securities a premium computed in accordance with the Third Schedule hereto.

13. (1) Every premium to which any person is entitled under the last preceding clause shall be satisfied by payment of the amount thereof in cash.

(2) All payments of cash in accordance with the last preceding subclause that are not made out of any sinking fund pursuant to the provisions of this Order in that behalf shall be made by the local authority out of the local fund, and charged to the appropriate account.

PLACE FOR PAYMENT OF PRINCIPAL AND INTEREST.

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

APPLICATION OF EXISTING SINKING FUNDS.

15. (1) The existing sinking funds of the loans specified in the First Schedule hereto shall be held by the Public Trustee as Commissioner thereof as one aggregate fund which shall be applied by the Public Trustee in or towards making the following payments in the following order of priority:—

(a) First, as far as it will extend, in repayment as at the date of conversion of the principal secured by the existing securities issued in respect of the Reticulation Loan of ten thousand pounds specified in the First Schedule hereto and held by the Public Trustee.

(b) Secondly, in payment, in accordance with the directions of the local authority, of any cash payments required by this Order to be made in respect of premiums to which any holder is entitled on the conversion of any existing securities issued in respect of the first loan specified in the said First Schedule; and

(c) Thirdly, so far as the balance of such aggregate fund will extend in repayment as at the date of conversion of the principal secured by the existing securities issued in respect of the said first loan specified in the First Schedule hereto.

(2) Interest up to the date of conversion on any existing securities so repaid in accordance with paragraphs (a) and (c) of the last preceding subclause shall be paid by the local authority out of the local fund.

CONSOLIDATED SPECIAL RATE.

16. (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.

(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 and interest 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, and as if the local authority were a local authority and its district a district under that Act.

(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.