

SINKING FUND FOR UNCONVERTED SECURITIES.

20. (1) If dissent is signified in accordance with the provisions of this Order from the conversion of any existing securities issued in respect of the loan in the First Schedule hereto, the local authority, in order to provide funds for the repayment of the unconverted securities issued in respect of such loan, shall forthwith make provision for the creation, pursuant to a resolution of the local authority, of a sinking fund, of which the persons who at the date of conversion were Sinking Fund Commissioners in respect of such loan shall be the first Commissioners.

(2) For such purpose the local authority shall permanently appropriate a sum which bears the same proportion to the annual contribution payable, before the date of conversion, to the existing sinking fund of such loan 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 existing sinking fund is held, and shall pay such sum to the Commissioners yearly and every year until the maturity date of such unconverted securities, or until the Commissioners are satisfied that the accumulations of sinking fund will suffice to redeem such securities at maturity.

(3) The first of such yearly payments shall be made not later than one year after the date on which the last annual contribution payable before the date of conversion to the existing sinking fund of such loan was payable.

(4) Subject to the provisions of this Order, the provisions of section thirty-three of the Fire Brigades Act, 1926, shall, so far as applicable and with all necessary modifications, apply with respect to such sinking fund.

APPLICATION OF EXISTING SINKING FUND.

21. The existing sinking fund of the loan referred to in the First Schedule hereto shall be applied by the Commissioners thereof, so far as it will extend, 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 securities in respect of which such sinking fund is held;
- (b) Secondly, in payment, in accordance with the directions of the local authority, of the costs and charges (not exceeding in the aggregate sixty pounds) of and incidental to the conversion of existing securities to which this Order applies; and
- (c) Thirdly, in transferring the balance to the Public Trustee as Commissioner of the sinking fund hereinbefore required to be created for the new securities, to be held as part of that sinking fund.

ADDITIONAL SECURITY.

22. Where the local authority has heretofore executed any deed of mortgage or charge over any of its property or revenues, in favour of the holder of any existing securities issued in respect of the loan referred to in the First Schedule hereto, or in favour of any trustee for such holder, the local authority shall on the conversion of such loan, if so required by such holder, execute in his favour or in favour of the trustee for him 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 new deed pursuant to the last preceding subclause the existing deed shall be surrendered to the local authority and be deemed to be cancelled.

BROKERAGE.

23. 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.

LOAN TO BE CONVERTED.

Name.	Amount.	Rates of Interest.		Date of Maturity.
		Original.	Existing.	
Loan of £6,125 (part)	£ 5,000	Per Cent. 5	Per Cent. 4½	1st May, 1951.

SECOND SCHEDULE.

FORMS.

(1) Notice.

[Name of local authority.]

CONVERSION under the Local Authorities Interest Reduction and Loans Conversion Act, 1932-33, and the Loan Conversion Order, 19 , of debentures or other securities issued in respect of the following loan [Particulars of loan].

Notice is hereby given to the holders of debentures or other securities issued in respect of the above-mentioned loan that the [Name of local authority] intends 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.