

## NOTICE TO HOLDERS OF EXISTING SECURITIES.

6. The local authority shall cause a notice in the form numbered (1) in the Second Schedule hereto, together with a copy of this Order, to be forwarded by registered letter not later than the first day of February, one thousand nine hundred and thirty-six, to the holder of the existing securities to which this Order applies.

## CONSENT TO CONVERSION.

7. The consent of the holders of the existing securities to the conversion thereof in accordance with this Order shall, if given, be signified in writing not later than the date of conversion, and when given shall be irrevocable.

## NEW SECURITIES.

8. (1) New securities shall be issued in the form of debentures in the form numbered (2) in the Second Schedule hereto.

(2) Every new debenture shall be for a sum of five pounds, twenty-five pounds, fifty pounds, one hundred pounds, or any sum in excess of one hundred pounds.

(3) All new debentures shall be numbered consecutively, and as between the holders thereof shall rank equally.

(4) 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.

(5) 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.

## INTEREST AND COUPONS.

9. (1) The rate of interest payable on new securities shall be four and one-quarter per centum per annum.

(2) The interest on new securities shall be payable half-yearly on days corresponding to the maturity dates of the securities.

10. (1) Separate coupons for each amount of interest payable on any debenture, in the form numbered (3) in the Second Schedule hereto, and numbered consecutively for each debenture, shall be attached thereto.

(2) The signatures to coupons may be made by facsimiles thereof in lithograph or otherwise.

## MATURITY DATES.

11. The new securities shall be redeemable, at par, as follows:—

As to £300 thereof on the 1st day of March, 1937.		
£300	"	1938.
£300	"	1939.
£400	"	1940.
£400	"	1941.
£400	"	1942.
£400	"	1943.
£500	"	1944.
£4,000	"	1945.

## PREMIUMS.

12. The holder of the existing securities to which this Order applies 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 a premium on such principal 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.

## CONSOLIDATED SINKING FUND FOR NEW SECURITIES.

15. (1) In order to provide funds for the repayment of the new securities the local authority shall forthwith make provision for the creation, pursuant to a resolution of the local authority, of a consolidated sinking fund, of which the Public Trustee shall be the Commissioner.

(2) For such purpose the local authority shall permanently appropriate and shall pay to the Commissioner of the consolidated sinking fund on the first day of March, one thousand nine hundred and thirty-seven, and on each first day of March thereafter up to and including the first day of March, one thousand nine hundred and forty-five, a contribution of one hundred and seventy-five pounds, increased in respect of each contribution by a sum equal to four and one-quarter per centum of the aggregate amount of new securities redeemable up to and including the maturity date immediately preceding that on which such contribution is payable.

(3) The provisions of subsections four, five, and six of section ninety-five of the Local Bodies' Loans Act, 1926, shall apply with respect to such sinking fund.

## APPLICATION OF EXISTING SINKING FUND.

16. 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 payment, in accordance with the directions of the local authority, of any cash premiums to which the holder is entitled on the conversion of any existing securities to which this Order applies; and

(b) Secondly, in transferring the balance to the Commissioner of the consolidated sinking fund hereinbefore required to be created for the new securities, to be held as part of that sinking fund.