

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. The aggregate amount of principal secured by the new securities to be issued in conversion of existing securities to which this Order applies (including new securities to be issued by way of premium), together with interest thereon computed at the rate of three and one-half per centum per annum, shall be repaid by equal half-yearly instalments over a period of ten years, the first half-yearly instalment to fall due and be paid on the first day of August, one thousand nine hundred and thirty-six, 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 forty-six.

9. (1) New securities for the amount of each half-yearly instalment referred to in the last 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.

10. 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 of fifty-four pounds.

11. (1) The premium to which the holder is entitled under the last preceding clause shall be satisfied by issuing to him additional new securities for the amount of such premium.

(2) The power of the local authority to issue new securities in accordance with this Order shall be deemed to include the power to issue any additional new securities required for the purposes of this clause.

PLACE FOR PAYMENT OF PRINCIPAL AND INTEREST.

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

SURRENDER OF CONVERTED SECURITIES, AND PAYMENT OF INTEREST THEREON.

13. The holder of the existing securities converted into new securities shall surrender the existing securities in Wellington in exchange for the new securities, and shall be entitled to receive on the date of conversion interest on the existing securities for the period ending on the date of conversion.

PAYMENT OF COSTS OF CONVERSION.

14. All costs, charges, and expenses incidental to the conversion shall be borne and paid by the local authority.

SECURITIES HELD BY TRUSTEES.

15. 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.

FIRST SCHEDULE.

LOAN TO BE CONVERTED.

Name.	Amount.	Rate of Interest.		Date of Maturity.
		Original.	Existing.	
Antecedent Liability Loan ..	£ 3,300	Per Cent. 6½	Per Cent. 5½	31st March, 1937.