

SPECIAL RESOLUTION OF LOCAL AUTHORITY.

4. (1) If the local authority so resolves by a resolution passed and confirmed as provided by subsection two of section nine of the Act, it may, with the consent of the holders of the existing securities to which this Order applies, and subject to and in accordance with the provisions of this Order, issue new securities in conversion of such existing securities.

(2) The following provisions of this Order shall come into force if such a resolution is passed and confirmed as aforesaid, but not otherwise:

Provided that a certificate signed by the Chairman of the local authority and published in the *Gazette* to the effect that such a resolution has been duly passed and confirmed shall be conclusive evidence of the facts therein certified.

DATE OF CONVERSION.

5. The date from which the conversion of existing securities into new securities shall take effect shall be the thirtieth day of June, one thousand nine hundred and thirty-six.

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 date of conversion to every holder of existing securities to which this Order applies.

CONSENT TO CONVERSION.

7. The consent of the holder of the existing securities to the conversion thereof in accordance with this Order shall, if given, be specified 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 such sum as the holder may require.

(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.

9. 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.

INTEREST AND COUPONS.

10. (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 the thirty-first day of December and the thirtieth day of June in every year.

11. (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 DATE.

12. Every new security shall be redeemable at par on the thirtieth day of June, one thousand nine hundred and fifty-four.

PLACE FOR PAYMENT OF PRINCIPAL AND INTEREST.

13. The principal and interest in respect of new securities shall be payable at such place or places in New Zealand as may be directed by the holder.

CONSOLIDATED SINKING FUND FOR NEW SECURITIES.

14. (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 each thirtieth day of June following the date of conversion up to and including the thirtieth day of June, one thousand nine hundred and fifty-four, a contribution of £40.

(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.

15. The existing sinking fund of the loan referred to in the First Schedule hereto shall be transferred by the Public Trustee as Commissioner thereof to the consolidated sinking fund hereinbefore required to be created for the new securities, to be held as part of that sinking fund.

SURRENDER OF EXISTING SECURITIES AND PAYMENT OF INTEREST THEREON.

16. The holders 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.