

## 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.

## 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 the fifteenth day of January and the fifteenth day of July in every year.  
 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.

## SURRENDER OF EXISTING SECURITIES AND PAYMENT OF INTEREST THEREON.

11. The holders of the existing securities converted into new securities shall surrender the existing securities 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.

## MATURITY DATES.

12. (1) Every new security shall be redeemable at par on such one of the maturity dates set out in the Third Schedule hereto as is specified in that behalf in the security.  
 (2) The local authority shall so fix the respective maturity dates of the new securities that the aggregate amount of principal secured by the new securities maturing on each of such dates shall, if practicable, be a multiple of one hundred pounds, and, subject thereto, shall, as nearly as may be, bear the same proportion to the aggregate amount of principal secured by all the new securities as the sum set opposite that date in the Third Schedule hereto bears to the total amount specified in that Schedule.

## PREMIUMS.

13. (1) The holder of any existing securities bearing 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 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.  
 (2) The holder of any existing securities bearing interest at a rate which, as reduced in accordance with Part I of the Act, exceeds the rate of interest payable on the new securities 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 Fourth Schedule hereto.  
 14. (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.

15. 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.

16. (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 of the maturity dates specified in the Third Schedule hereto, a contribution of two hundred and two 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 FUNDS.

17. (1) The existing sinking fund of the Kaimanawa Water Supply Loan referred to in the First Schedule hereto, the securities issued in respect of which are held by the Public Trustee, shall be applied by the Commissioner 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 premium payments to which the Public Trustee as holder of such securities is entitled on the conversion thereof;  
 (b) Secondly, as far as it will extend to the nearest multiple of five pounds, in repayment as at the date of conversion of the principal secured by the existing securities issued in respect of such loan and held by the Public Trustee; and  
 (c) Thirdly, 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.