

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. 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 four and one-quarter per centum per annum, shall be repaid by equal half-yearly instalments over a period of twenty-five years, the first half-yearly instalment to fall due and be paid on the first day of March, one thousand nine hundred and thirty-nine, and subsequent half-yearly instalments to fall due and be paid on every first day of September and first day of March thereafter, the last half-yearly instalment to fall due and be paid on the first day of September, one thousand nine hundred and sixty-three.

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

PLACE FOR PAYMENT OF PRINCIPAL AND INTEREST.

10. 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.

PREMIUMS.

11. 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 computed in accordance with the Third Schedule hereto.

12. (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.

SURRENDER OF EXISTING 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.

APPLICATION OF EXISTING SINKING FUNDS.

14. The existing sinking fund of every loan referred to in the First Schedule hereto shall be applied by the Commissioners thereof, so far as it will extend, in repayment as at the date of conversion of the principal secured by the existing securities issued in respect of such loan.

CONSOLIDATED SPECIAL RATE.

15. (1) As a security for the new securities the local authority shall forthwith by resolution gazetted (in the form numbered (3) in the Second Schedule hereto), make and levy a special rate over the whole of the district of the local authority to provide for the payment of the half-yearly instalments of principal and interest in respect of such securities.

(2) Subject to the provisions of this Order, the provisions of the Local Bodies' Loans Act, 1926, and of any other Act shall, so far as applicable and with all necessary modifications, apply with respect to such special rate, and with respect to the interest and other charges in respect of such securities, as if such special rate were made and levied in respect of a special loan raised under Part I of the said Local Bodies' Loans Act, 1926.

(3) Upon the making of such special rate every special rate theretofore made in respect of any existing securities converted into new securities in accordance with this Order shall cease to be a security for such existing securities.

SECURITIES HELD BY TRUSTEES.

16. 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.

PAYMENT OF COSTS OF CONVERSION.

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