

## DATE OF CONVERSION.

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

## NOTICE TO HOLDER 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 the holder of the 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 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, together with interest thereon computed at the rate of three and one-half per centum per annum, shall be repaid as follows:—

- (a) By payment on the third day of April, one thousand nine hundred and thirty-nine, and on each third day of October and third day of April thereafter down to the third day of October, one thousand nine hundred and forty-eight, of the sum of three hundred and sixteen pounds nine shillings and elevenpence (£316 9s. 11d.). Each such half-yearly payment shall be applied firstly in payment of interest computed at the rate of three and one-half per centum per annum on the amount of the principal for the time being outstanding at the beginning of each half-year and the balance of each half-yearly payment shall be applied in reduction of the principal.
- (b) By payment on the third day of October, one thousand nine hundred and forty-eight, of the amount to which the principal has been reduced after payment of the half-yearly instalments referred to in the preceding paragraph (a) hereof.

9. (1) New securities for the amount of each payment 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 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.

10. The holder of the existing securities to which this Order applies 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 premiums.

11. 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.

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

12. 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.

## CONSOLIDATED SPECIAL RATE.

13. (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 the new 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 principal, 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 to which this Order applies shall cease to be a security for such existing securities.

## PAYMENT OF COSTS OF CONVERSION.

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