

Mr. E. G. Allen.

OTAGO DOCK TRUST MERGER.

[LOCAL BILL.]

ANALYSIS.

<p>Title. Preamble. 1. Short Title. 2. Merger of Otago Dock Trust in Otago Harbour Board by Order in Council. 3. Certified copy resolutions to be sent to Minister of Marine. 4. Order in Council to be conclusive. 5. Vesting on merger. 6. Obligations and liabilities taken over. 7. Provisions as to the £4,500 loan. 8. Provisions as to the £75,000 loan. 9. Surrendered or redeemed debentures to be cancelled. 10. Authority for Harbour Board to create debentures. 11. Restriction on issue of debentures.</p>	<p>12. Provisions applicable to debentures created by Harbour Board. 13. Dock Account to be kept. 14. How Dock Account to be kept. 15. Application of deeds of covenant to Dock Account. 16. Power to Harbour Board to forego payments under Port Chalmers deed of covenant. 17. Power for Harbour Board to borrow £25,000 for dock. 18. Power for Harbour Board to advance up to £3,000 to Dock Trust. 19. Repeal. 20. Act deemed special Act. 21. Restrictions on Dock Trust leasing pending negotiations. Schedules.</p>
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A BILL INTITULED

AN ACT to provide for the Merger of the Otago Dock Trust in the
Otago Harbour Board. Title.

WHEREAS by the Otago Dock Act, 1883, certain pieces of land with Preamble.
5 the dock and buildings theretofore constructed and erected thereon
were vested in the Otago Harbour Board (hereinafter referred to as
the Harbour Board), to be held by them as a site and endowment for
a graving-dock; and by the said Act it was provided that the Harbour
Board should, as soon as conveniently might be after the passing of
10 that Act, construct on a site to be chosen by them on the said land a
graving-dock of sufficient dimensions at least to admit vessels drawing
twenty-five feet of water; and in order to raise money for the con-
struction of the said dock it was provided that it should be lawful for
the Harbour Board, and they were thereby authorised to raise and
15 borrow from time to time in addition to all other moneys theretofore
borrowed and raised or authorised to be borrowed and raised by the
Harbour Board a sum or sums of money not exceeding in the whole
one hundred thousand pounds: And whereas by the Otago Dock
Act, 1883, and Amendment Act, 1885, the Otago Dock Trust
20 (hereinafter referred to as the Dock Trust) was constituted a body
politic and corporate, and all the powers and authorities granted or
conferred by the Otago Dock Act, 1883, to or upon the Harbour
Board in relation to the construction of a graving-dock and of
borrowing money for the purpose in manner as in that Act men-

tioned were transferred to and vested in the Dock Trust with full powers to exercise the same subject to the Otago Dock Act, 1883; and all lands or endowments granted to or vested in the Harbour Board under that Act or under any other Act or enactment for the purpose of such dock were vested in the Dock Trust and their successors for the same purpose: And whereas by the Otago Dock Act Amendment Act, 1895, additional powers were conferred on the Dock Trust, including a power for the purposes therein mentioned to borrow from time to time, in addition to all other moneys borrowed or raised or authorised to be borrowed or raised by the Dock Trust, a sum or sums of money not exceeding in the whole ten thousand pounds: And whereas under the powers contained in the last-mentioned Act the Dock Trust raised two loans of five thousand five hundred pounds and four thousand five hundred pounds respectively, of which the loan of ~~five~~ four thousand five hundred pounds has been paid off: And whereas the said loan of ~~four~~ five thousand five hundred pounds remains outstanding upon the security of ~~forty~~ fifty-five debentures of one hundred pounds each, payable on the first day of October, nineteen hundred and twenty-eight, bearing interest in the meantime at the rate of four pounds ten shillings per centum per annum, and secured on the dock and other subjects therein mentioned: And whereas by section three of the Port Chalmers Corporation Empowering Act, 1903, it was enacted that the Corporation of the Mayor, Councillors, and Burgesses of the Borough of Port Chalmers (hereinafter referred to as the Corporation of Port Chalmers) might contribute every year a sum not to exceed one thousand pounds, to be applied towards payment of the interest on any loan which might be raised by the Dock Trust for the purpose of constructing a graving-dock at Port Chalmers, provided that before any payment should be made under the now reciting section and before the Council should enter into any agreement, bond, guarantee, or other contract under section four of the now reciting Act, a poll of the ratepayers of the Borough of Port Chalmers should be taken ~~in accordance with the provisions of the Municipal Corporations Act, 1900,~~ on the proposal to contribute in terms of the now reciting section: And whereas the Dock Trust proposing for the purpose of constructing a graving-dock at Port Chalmers to raise a loan of seventy-five thousand pounds by the issue of seven hundred and fifty debentures of one hundred pounds each, redeemable on the thirtieth day of June, nineteen hundred and twenty-five, and bearing interest at the rate of five pounds per centum per annum, payable half-yearly on the thirty-first day of December and the thirtieth day of June in each year, and desiring the assistance of the guarantee authorised by the Port Chalmers Corporation Empowering Act, 1903, and the Corporation of Port Chalmers proposing to contribute every year out of the district fund of the said borough a sum not exceeding one thousand pounds per annum to be applied towards payment of the interest on such loan, a poll of the ratepayers of the said borough was duly taken as required by the last-mentioned Act of the proposal to so contribute, and such proposal was duly carried at the said poll, and by a deed dated the seventeenth day of July, nineteen hundred and five, made between the Corporation of Port Chalmers of the one part and the Dock Trust of the other part,

of which a copy is contained in the *First* Schedule hereto, the Corporation of Port Chalmers covenanted to make such contribution not exceeding the sum of one thousand pounds in any one year for a period of twenty years as is therein mentioned in the event and subject to the conditions and provisions contained in the said deed: And whereas the Harbour Board having been empowered in that behalf by the Otago Harbour Board Empowering Act, 1903, did by a deed dated the twenty-first day of June, nineteen hundred and four, and made between the Harbour Board of the one part and the Dock Trust of the other part, covenant with the Dock Trust that the Harbour Board would every year for a period of thirty years pay to the Dock Trust or its assigns the sum of five hundred pounds as a contribution towards interest on any loan that might be raised by the Dock Trust for the purpose of constructing a graving-dock at Port Chalmers: And whereas by virtue of the Otago Harbour Board Empowering Act 1903 Amendment Act, 1905, the Dock Trust released the Harbour Board from the covenant contained in the last-mentioned deed, and by a deed dated the second day of August, nineteen hundred and five, and made between the Harbour Board of the one part and the Dock Trust of the other part, *the Harbour Board* covenanted with the Dock Trust that the Harbour Board would every year for a period of twenty years pay to the Dock Trust or its assigns the sum of one thousand pounds as a contribution towards the interest on any loan that had been or might be raised by the Dock Trust for the purpose of constructing a graving-dock at Port Chalmers: And whereas by a deed dated the seventeenth day of July, nineteen hundred and five, and made between the Union Steamship Company of New Zealand (Limited), hereinafter called the Union Company, of the one part and the Dock Trust of the other part, of which a copy is contained in the *Second* Schedule hereto, the Union Company bound itself in manner and subject to the provisions therein contained to contribute to the Dock Trust for the period of twenty years therein mentioned a sum of money to be applied towards payment of the interest on the said loan of seventy-five thousand pounds, but so that such contribution of the Union Company for any one year should not exceed the sum of one thousand pounds: And whereas the Dock Trust having agreed to establish a sinking fund of one pound per centum on the amount of the said loan for the repayment of the said debentures did ~~under the provisions in that behalf contained in the Harbours Act, 1878,~~ appoint the Trustees, Executors, and Agency Company of New Zealand (Limited) and James Mills to be Commissioners of the said sinking fund, and by a deed dated the seventeenth day of July, nineteen hundred and five, and made between the Dock Trust of the one part and the said Commissioners of the other part, covenanted with the said Commissioners, their successors and assigns, that the Dock Trust would every year for a period of twenty years reckoned from the thirtieth day of June, nineteen hundred and five, pay to the company and James Mills aforesaid or other the Commissioners or Commissioner for the time being acting under the now reciting deed the sum of seven hundred and fifty pounds as a sinking fund for the repayment of the said loan of seventy-five thousand pounds, by half-yearly payments of three hundred and seventy-five pounds on the thirtieth day of June and

the thirty-first day of December in each year, and for the payment to such Commissioners or Commissioner of such sums for their services and of their expenditure and for insurance against fire and other matters as in the now reciting deed mentioned: And whereas the Dock Trust raised the said loan of seventy-five thousand pounds by the issue of seven hundred and fifty debentures of one hundred pounds each, payable on the thirtieth day of June, nineteen hundred and twenty-five, and bearing interest at five pounds per centum per annum payable half-yearly on the thirty-first day of December and the thirtieth day of June in every year until repayment: And whereas the construction of the said graving-dock is now proceeding: And whereas by the Otago Dock Validation Act, 1906, it was declared that the said graving-dock did comply and should for all purposes be deemed to comply with the provisions of section four of the Otago Dock Act, 1883, and that the said section should be construed and given effect to accordingly: And whereas negotiations are proceeding between the Dock Trust and the Harbour Board for the merger of the Dock Trust in the Harbour Board, and it is desirable that statutory provision should be made for the event of such negotiations resulting in agreement:

BE IT THEREFORE ENACTED by the General Assembly of New Zealand in Parliament assembled, and by the authority of the same, as follows:—

Short Title.

1. This Act may be cited as the Otago Dock Trust Merger Act, 1908.

Merger of Otago Dock Trust in Otago Harbour Board by Order in Council.

2. On a day (hereinafter referred to as the date of merger) to be fixed for that purpose by an Order in Council which is hereby authorised to be issued, the Dock Trust shall become and be dissolved, but such Order in Council shall not be issued unless and until both the Harbour Board and the Dock Trust have separately passed resolutions desiring that such Order in Council shall issue:

Provided that no such resolution shall be passed unless the holders of at least seventy-five per centum of the nominal value of the debentures issued in respect of the said seventy-five thousand pounds loan shall have signified to the Harbour Board their consent in writing to accept Harbour Board debentures in exchange under the provisions hereinafter contained.

Certified copy resolutions to be sent to Minister of Marine.

3. (1.) A copy of each such resolution shall be transmitted to the Minister of Marine.

(2.) Each such copy shall bear a certificate under the hand of the chairman of the meeting at which the resolution was passed to the effect that the copy is a correct copy of the resolution, and that the resolution was duly passed by an ~~absolute~~ *a* majority of the members present at such meeting.

Order in Council to be conclusive.

4. The Order in Council when issued shall be conclusive evidence that all conditions precedent to the passing of such resolutions and to the issue of the Order in Council have been duly fulfilled.

Vesting on merger.

5. On the date of merger, and simultaneously with the dissolution of the Dock Trust, the following consequences shall ensue, that is to say:—

(a.) (i.) All the powers, authorities, and functions of the Dock Trust, whether created by the Acts above referred to or

the enactments specified in the *Third* Schedule hereto, or any other Act, or by any deed or instrument :

(ii.) All the endowments and other lands belonging to the Dock Trust :

(iii.) The benefit of all contracts and obligations with or in favour of the Dock Trust subsisting at the date of merger, and all choses-in-action, rights, claims, and demands arising out of or depending upon any such contract or obligation :

(iv.) All moneys belonging to the Dock Trust, and all debts accruing or due to the Dock Trust at the date of merger :

(v.) The two docks, the cool-stores, sheerlegs, steam-hammer, machines, equipment, tools, and appliances, and all the property and assets of the Dock Trust at the date of merger not hereinbefore otherwise referred to— shall by force of this Act be and be deemed to be transferred to and vested in the Harbour Board ; and the said endowments and lands shall, subject to the express provisions of this Act, be held by the Harbour Board in trust for the construction and maintenance of such docks, piers, and other works as may be deemed advisable by the Harbour Board for facilitating the trade and commerce of the Harbour of Otago, and generally for the purposes of the Harbour Board ; and the rents, issues, and profits thereof and therefrom shall accordingly be paid into and form part of the Harbour Fund, and all the premises so transferred to and vested in the Harbour Board shall continue subject to all charges and incumbrances, leases, tenancies, and other obligations affecting the same at the date of merger.

(b.) All the powers and authorities vested in the Dock Trust under or by virtue of the said Acts respectively shall from and after the date of merger be exercisable by the Harbour Board generally in connection with the affairs of such Board and the lands and operations thereof to the like extent as if such powers and authorities had originally been and remained vested in the Harbour Board instead of the Dock Trust, and in relation to the exercise of such powers and authorities the Acts above referred to and the Acts specified in the said *Third* Schedule shall be read and construed and take effect as if the name of the Harbour Board were inserted therein instead of the name of the Dock Trust, and such powers and authorities shall be in addition to all other powers or authorities for the time being vested in the Harbour Board.

6. All the debts, obligations, and liabilities of the Dock Trust at the date of merger shall thereupon become and be debts, obligations, and liabilities of the Harbour Board ; but with regard to the debentures issued by the Dock Trust as aforesaid, and the principal and interest thereby secured, and the obligations and liabilities of the Dock Trust thereunder the special provisions hereinafter contained shall apply.

Obligations and liabilities taken over.

Provisions as to the
£5,500 loan.

7. With respect to each and every of the said debentures issued by the Dock Trust in respect of the said ~~four~~ five thousand five hundred pounds loan (hereinafter referred to as the first debentures) the following provisions shall apply from and after the date of merger, that is to say:—

The holder of a first debenture shall on surrender to the Harbour Board of such debenture, together with all coupons in respect thereof falling due after the date of such surrender, be entitled to have issued to him in exchange therefor by the Harbour Board one of the debentures which the Harbour Board is hereinafter authorised to issue in the form in the *Fourth* Schedule hereto, with coupons for interest attached thereto, in the form in the *Fifth* Schedule hereto, equivalent in number to and for similar amounts and payable at the same times respectively as those surrendered.

Provisions as to the
£75,000 loan.

8. With respect to each and every of the said debentures issued by the Dock Trust in respect of the said seventy-five thousand pounds loan (hereinafter referred to as the second debentures) the following provisions shall apply, that is to say:—

(a.) From and after the half-yearly day for payment of interest under the second debentures next after the lapse of six months from the date of merger the rate of interest payable under the second debentures shall thenceforth during the currency thereof be deemed to be reduced to and be four pounds ten shillings per centum per annum, and the coupons annexed to such debentures shall be construed and operate accordingly.

(b.) The holder of any and every second debenture who ~~shall~~ has not ~~have~~ agreed to accept a Harbour Board debenture in exchange therefor under the provisions hereinafter contained on or before the half-yearly day for payment of interest under the second debentures next after the lapse of six months from the date of merger shall be entitled, upon giving to the Harbour Board three months' previous written notice of his desire in that behalf, to have such debenture redeemed at par by the Harbour Board by the payment at such half-yearly day of the amount of such debenture, with all interest due or accrued thereon up to such half-yearly day at the rate of five pounds per centum per annum; and the Harbour Board shall be and is hereby authorised to redeem such debenture accordingly:

Provided that contemporaneously with such payment and redemption every such second debenture so redeemed shall be surrendered to the Harbour Board, together with all coupons for the interest then due and all coupons falling due subsequently to such redemption.

(c.) The holder of a second debenture desiring to exchange the same as herein provided shall, on or after the half-yearly day for payment of interest thereunder next after the lapse of six months from the date of merger, on surrender to the Harbour Board of such debenture, together with

all coupons in respect thereof falling due after the date of such surrender, be entitled to have issued to him in exchange therefor by the Harbour Board one of the debentures which the Harbour Board is hereinafter authorised to issue in the form in the *Sixth* Schedule hereto, with coupons for interest attached thereto in the form in the *Seventh* Schedule hereto for the currency of the Harbour Board's debentures subsequent to the date of such surrender.

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10 (d.) All such coupons shall be made payable on the last days of June and December in each year of the currency of the Harbour Board debenture.

9. Any and every first debenture, and any and every second debenture, surrendered or redeemed as aforesaid shall thereupon be
15 and be deemed to be cancelled and extinguished.

10. From and after the date of merger the Harbour Board shall, without any further authority than this Act, be and it is hereby empowered and directed to create ~~forty~~ *fifty-five* debentures for one hundred pounds each or for a total sum of ~~four~~ *five* thousand five
20 hundred pounds in the form in the *Fourth* Schedule hereto, and to create seven hundred and fifty debentures for one hundred pounds each or for a total sum of seventy-five thousand pounds in the form in the *Sixth* Schedule hereto, charged as expressed in the said Schedules respectively, and all bearing interest at four pounds ten
25 shillings per centum per annum, and to issue such debentures as provided by this Act.

11. The Harbour Board shall not issue any of the said ~~forty~~ *fifty-five* or seven hundred and fifty debentures which it is hereby authorised to create for any other purpose than in exchange for
30 the Dock Trust's debentures in manner aforesaid, or in order to provide funds with which to redeem any of the Dock Trust's second debentures, for which purpose the Harbour Board is hereby authorised to sell and issue as from time to time required an equivalent number of its said seven hundred and fifty debentures.

12. The following provisions shall apply to the said ~~forty~~ *fifty-five* debentures and the seven hundred and fifty debentures respectively authorised to be issued by the Harbour Board and the loans
35 respectively represented thereby:—

(a.) The debentures shall be under the common seal of the Board, and shall be dated as of the date of issue, and the debentures of each issue shall be numbered consecutively so that no two debentures of the same issue shall at any time bear the same number.

(b.) The interest-coupons annexed to the debentures shall be numbered consecutively for each debenture of each issue, and the signatures thereto may be made in manner permitted by the Harbours Act, 1878 1908, in respect of coupons.

(c.) All such of the said ~~forty~~ *fifty-five* debentures authorised to be issued by the Harbour Board as shall be issued in exchange for first debentures as hereinbefore provided shall, irrespective of the date of issue or otherwise, and with the interest thereon, rank *pari passu* with each
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Surrendered or redeemed debentures to be cancelled.

Authority for Harbour Board to create debentures.

Restriction on issue of debentures.

Provisions applicable to debentures created by Harbour Board.

other and also *pari passu* with such of the said first debentures as shall for the time being remain unexchanged, with the interest thereon, as a first charge upon the subjects mentioned as charged in the form of debenture in the *Fourth* Schedule hereto.

- (d.) All such of the said seven hundred and fifty debentures authorised to be issued by the Harbour Board as shall be issued in exchange or to provide funds for redemption as hereinbefore provided in respect thereof shall, irrespective of the date of issue or otherwise, and with the interest thereon, rank *pari passu* with each other and also *pari passu* with such of the second debentures as shall for the time being remain unexchanged or unredeemed, with the interest thereon, as a charge upon the subjects mentioned as charged in the form of debenture in the *Sixth* Schedule hereto. 5
- (e.) The sinking fund created by the Dock Trust for the repayment of the said sum of seventy-five thousand pounds shall, as from the date of merger, be deemed to have been created by the Harbour Board for that purpose, and accordingly the sum of one pound per centum per annum on the said sum of seventy-five thousand pounds payable half-yearly shall be deemed to be permanently appropriated out of the harbour fund not appropriated for any other special purpose, and shall be paid to the Sinking Fund Commissioners for that purpose in terms of the said deed of covenant made with them of the seventeenth day of July, nineteen hundred and five, which from and after the date of merger shall be deemed to have been entered into by and to bind the Harbour Board instead of the Dock Trust, and the Commissioners named in the said deed shall from and after the date of merger be deemed to be Commissioners appointed by the Harbour Board for and in connection with the said loan of seventy-five thousand pounds. 20
- (f.) Subject to the foregoing special provisions of this section, the provisions of sections ~~two hundred and one~~ *one hundred and ninety-five* to two hundred and seven ~~two~~ *both inclusive*, of the Harbours Act, 1878 1908, shall apply in respect of the said sums of ~~four~~ *five* thousand five hundred pounds and seventy-five thousand pounds as loans, and as regards the said sum of seventy-five thousand pounds shall also apply in respect of the said sinking fund in respect thereof, and the appointment of Commissioners, and their duties and accounts. 25
- (g.) The provisions contained in sections two hundred and ~~eight~~ *three* ~~to~~ and two hundred and ~~eleven~~ *both inclusive* ~~four~~ of the Harbours Act, 1878 1908, with reference to the remedies of debenture-holders shall apply in favour of the holders of the said ~~forty~~ *fifty-five* debentures and the said seven hundred and fifty debentures respectively according to their respective rights. 30

Dock Account to be kept.

13. (1.) From and after the date of merger, and so long as the liability of the Corporation of Port Chalmers and the Union

Company respectively under or by virtue of the deeds mentioned in section *fifteen* hereof and of this Act shall subsist, the Harbour Board shall in its books keep a separate and distinct account to be called the Dock Account, in which shall be truly and regularly entered—

5 (a.) All earnings and income (hereinafter referred to as the annual revenue) derived by the Harbour Board from the said docks, and the cool-stores, sheerlegs, steam-hammer, electric-lighting plant, endowments and other lands, and all other property vested in the Harbour Board by this Act; and shall be deemed to include the sum of one thousand pounds in every year in which that sum would but for this Act be payable as a contribution by the Harbour Board to the Dock Trust under the said deed of the second day of August, nineteen hundred and five, but shall not be deemed to include any annual amount payable by the Corporation of Port Chalmers or by the Union Company:

10 (b.) The annual expenses of the Harbour Board of and incidental to the docks and premises vested in it as aforesaid, including—

15 (i.) The annual working-expenses of and incidental to its operations connected with the said docks and premises, and the maintenance and renewal of all machinery and plant, and the upkeep of the said docks and their appurtenances, and such contingent expenses as may be lawfully chargeable against annual revenue, and also the salaries and wages of employees of the Harbour Board employed exclusively in or about such operations, and a reasonable proportion of the salaries and wages of employees not so exclusively employed:

20 (ii.) The annual payments to the said sinking fund;

25 (iii.) The interest on the said ~~four~~ five thousand five hundred pounds loan or on so much thereof as is for the time being unpaid:

30 (iv.) All bank charges and interest to be or become charged or payable by the Harbour Board upon any bank overdraft in connection with the said docks and premises, or to any banking company, corporation, or person in respect of any loan of money in connection with the said docks and premises.

35 (2.) The year in respect of which the annual revenue and annual expenses are to be ascertained for the purposes of the said deeds set forth in the *First* and *Second* Schedules hereto, and the contributions provided for by the said deeds are to be made, is the year ending on each thirty-first day of December.

40 (3.) If any dispute shall arise between the Harbour Board and the Corporation of Port Chalmers or the Union Company as to the Dock Account or any charges or matters contained therein, such dispute shall be referred to the determination of two indifferent persons as arbitrators to be appointed in writing one by each party to the reference, or by an umpire to be appointed in writing by such two first-mentioned persons before entering upon the consideration of the matters referred to them, and every such reference shall have all the

incidents and consequences of an arbitration under the Arbitration Act, 1890 1908.

How Dock Account to be kept.

14. The said account shall be so kept as to enable the annual revenue and annual expenses, and the amount of the sums to be paid by the Corporation of Port Chalmers and the Union Company as aforesaid, to be correctly and properly ascertained in terms of the said deeds relating thereto construed as provided by this Act; and the provisions of the Harbours Act, 1878 1908, with reference to accounts and audit shall extend and apply to the said Dock Account.

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Application of deeds of covenant to Dock Account.

15. From and after the date of merger each of the deeds of covenant set forth in the *First* and *Second* Schedules hereto shall be read, construed, and operate as if the same had been entered into with the Harbour Board in lieu of the Dock Trust, but subject to this special provision, namely: that, in lieu of the definition contained in those deeds of the expression "the annual revenue of the Trust," such expression shall mean the earnings and income by ~~subsection one~~ *paragraph (a)* of section *thirteen* hereof directed to be entered in the said Dock Account, and while payable the annual sum of one thousand pounds to be by that section deemed to be included in such earnings and income; and, in lieu of the definition contained in the said deeds of the expression "the annual expenses of the Trust," such expression shall mean the expenses, payments, interest, and charges directed by ~~subsection two~~ *paragraph (b)* of section *thirteen* hereof to be entered in the said Dock Account; and, subject as aforesaid, the said two deeds shall be valid and binding on the Corporation of Port Chalmers and the Union Company respectively in favour of the Harbour Board. And if the date of merger occurs during the currency of any year in respect of which the amount of any sum guaranteed by the Corporation of Port Chalmers or the Union Company is to be ascertained, the annual revenue of the Dock Trust and the annual expenses of the Dock Trust, according to the meaning thereof in the said deeds, for the period between the beginning of that year and the date of merger shall be brought into account as if the same had been revenue and expenses of the Harbour Board entered in the said Dock Account.

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Struck out.

Power to Harbour Board to forego payments under Port Chalmers deed of covenant.

16. After the date of merger it shall be lawful for the Harbour Board in each or any year, if in its discretion it thinks fit so to do, by resolution to forego the payment by the covenantor under the deed set forth in the *First* Schedule hereto of any part of the amount due in that year by the covenantor under such deed; provided that the Harbour Board shall thereupon appropriate out of the Harbour Fund, and apply towards payment of interest under the second debentures, an amount equivalent to the amount it has so resolved to forego, and the amount so appropriated and applied shall be deemed and treated as the payment of a corresponding amount under such deed; and provided further that such resolution shall not affect the liability of the covenantor under the deed set forth in the *Second* Schedule hereto or the future liability of the covenantor under the deed set forth in the *First* Schedule hereto.

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New clause.

Part of Port Chalmers contribution to be refunded.

16. Notwithstanding anything to the contrary herein contained, upon payment in any year by the Corporation of Port Chalmers of any sum of money in terms of the deed set forth in the *First* Schedule hereto, the Harbour Board shall in every such case forthwith refund to the Corporation of Port Chalmers one-half of the sum so paid.

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17. The Harbour Board is also hereby empowered from and after the date of merger to raise and borrow in the manner prescribed by and subject to the conditions of the Harbours Act, 1878 1908, the sum of twenty-five thousand pounds for the purpose of completing and equipping the said new dock and any other purposes connected therewith.

Power for Harbour Board to borrow £25,000 for dock.

18. (1.) After the Dock Trust has passed the resolutions mentioned in section *two* of this Act, and before the issue of the Order in Council mentioned in that section, the Harbour Board may from time to time advance and lend to the Dock Trust such moneys not exceeding in the whole three thousand pounds upon and subject to such terms and conditions and upon such security as the Harbour Board may deem proper.

Power for Harbour Board to advance up to £3,000 to Dock Trust.

(2.) If the Harbour Board shall advance any moneys to the Dock Trust as aforesaid, the resolution passed by the Dock Trust shall be binding upon it and shall not be rescinded or varied.

(3.) The Harbour Board may pay the said moneys out of any part of the harbour fund not appropriated to any special purpose.

(4.) All moneys advanced to the Dock Trust by the Harbour Board pursuant to this section shall, upon the dissolution of the Dock Trust, be repaid into the harbour fund out of any moneys raised or borrowed pursuant to section *seventeen* hereof, and until so repaid shall be deemed for all purposes to be raised or borrowed by the Harbour Board pursuant to that section.

19. (1.) Paragraph three of section five of the Otago Dock Act Amendment Act, 1895, is hereby repealed, and the following substituted for it:—

Repeal.

“Lease or grant the use or occupation of any buildings, cool-stores, yards, cranes, machines, or other conveniences provided by it at such rents and charges and on such terms and conditions as the Trust shall think fit, and for any period not exceeding fourteen years.

“The right to every such lease or grant shall be sold by public auction or by public tender, of which sale at least fourteen days’ notice shall be given by advertisement inserted at least twice in some newspaper circulating in the City of Dunedin.”

(2.) From and after the date of merger sections six and seven of the Otago Dock Act, 1883, shall be repealed as far as the same applies to the rents, issues, and profits mentioned in the said section six.

New clause.

19A. A trustee may invest trust funds in his hands in any debentures or other instruments issued as security for a loan raised under this Act or any other Act authorising the Harbour Board to borrow money, in the same manner and to the same extent as if the same were mentioned in section ninety-five of the Trustee Act, 1908.

Trustees may invest in Board's funds.

20. This Act shall for the purposes and subject to the provisions hereof be deemed to be a special Act within the meaning of the Harbours Act, 1878 1908.

Act deemed special Act.

21. While negotiations for merger are pending between the Harbour Board and the Dock Trust the Dock Trust shall not grant any lease of or the right to use or occupy any of its lands or other property for a longer period than one year from the date of such grant without the consent in writing of the Harbour Board.

Restrictions on Dock Trust leasing pending negotiations.

Schedules.

SCHEDULES.

FIRST SCHEDULE.

THIS DEED is made the seventeenth day of July, nineteen hundred and five, between the Corporation of the Mayor, Councillors, and Burgesses of the Borough of Port Chalmers (hereinafter called the Corporation) of the one part, and the Otago Dock Trust (hereinafter called the Trust) of the other part: Whereas the Trust purpose to raise a loan of seventy-five thousand pounds or thereabouts for the purpose of constructing a new graving-dock at Port Chalmers: And whereas by the Port Chalmers Corporation Empowering Act, 1903, it is enacted that the Corporation may contribute every year out of the district fund of the Borough of Port Chalmers a sum not exceeding one thousand pounds per annum to be applied towards payment of the interest on any loan which may be raised by the Trust for the purposes of constructing a graving-dock at Port Chalmers; and that the said Council of the said Borough of Port Chalmers may enter into such agreements, bonds, guarantees, or other contracts as in the opinion of the Corporation are necessary for securing the payment of the said contribution: And whereas the proposal to make the contribution authorised by the said Port Chalmers Corporation Empowering Act, 1903, was duly carried by a poll of the ratepayers of the said Borough of Port Chalmers: And whereas the Corporation has agreed to make the contribution authorised by the said Act for the term and upon the conditions hereinafter set forth: Now this deed witnesseth that, in pursuance of the said agreement and in consideration of the premises, the Corporation doth hereby covenant with the Trust and it is hereby agreed and declared as follows:—

(1.) If in any year for a period of twenty years after deducting the annual expenses of the Trust from the annual revenue of the Trust the balance is insufficient to pay the interest on the said loan of seventy-five thousand pounds or thereabouts intended to be raised by the Trust for the purpose of constructing the said dock at Port Chalmers, the Corporation will pay to the Trust or its assigns a sum equal to one-half of the amount of such insufficiency, but so that the contribution of the Corporation for any one year shall not exceed the sum of one thousand pounds.

(2.) The Corporation shall incur no liability under these presents until a loan for the said sum of seventy-five thousand pounds or thereabouts has been raised by the Trust at a rate of interest not exceeding five per centum per annum with a sinking fund of one per centum per annum for the repayment thereof. The liability of the Corporation under these presents shall cease upon the Borough making all the payments for which it is liable.

(3.) The first contribution by the Corporation shall be made at the expiration of one year from the date on which the Trust shall enter into a contract for the construction of such graving-dock as aforesaid, or when the Trust shall have expended the sum of five thousand pounds in the construction of the said graving-dock, and each subsequent contribution shall be made by the Corporation on the anniversary of the date hereinbefore appointed for the making of the first contribution.

(4.) For the purpose of ascertaining the amount of each contribution the interest shall be computed on the said loan for a period of one year ending on the day prior to that on which such contribution is appointed to be made, and the annual revenue and expenses of the Trust shall be computed for the same period.

(5.) As long as the liability of the Corporation continues under this deed the Trust shall allow the Corporation or any officer or accountant appointed by it to inspect and take extracts from all books and records of the Trust showing the revenue and expenses of the Trust and all necessary vouchers and papers, and the Trust shall at all times exercise every reasonable economy in carrying out its functions.

(6.) In the construction and interpretation of this deed the expression "the annual revenue of the Trust" means the earnings and income of the Trust from all sources, including docks, freezing-works, sheerlegs, electric-lighting plant, and endowments, and including any annual subsidy payable to the Trust by the Otago Harbour Board, and any annual subsidy or other payment that may become payable to the Trust by the Government of New Zealand; but excluding any annual amount payable to the Trust by the Union Steam Ship Company of New Zealand (Limited), or by the Corporation; and the expression "the annual expenses of the Trust" means—

- (a.) The annual working-expenses of and incidental to all the Trust's operations, and the maintenance and renewal of all machinery and plant, and the upkeep of the docks and appurtenances, and such contingent expenses as may be lawfully chargeable against annual revenue :
- (b.) Any annual payments for the purpose of creating a sinking fund for the redemption of the moneys borrowed as aforesaid :
- (c.) The interest on any balance of the freezing-works loan for the time being unpaid :
- (d.) All bank charges and interest to be or become charged or payable by the Trust upon any bank overdraft or to any banking company or corporation or to any lender of money.
- (7.) The contribution to be made by the Corporation under these presents shall be paid half-yearly on the first days of April and October in each year, or upon some approximate half-yearly days that coincide as near as possible with the days upon which the Trust shall make the half-yearly payments of interest on the said loan ; and the Trust shall, on or before the tenth day of February in each year, give to the Corporation notice of the amount of the said contribution.

In witness whereof these presents have been executed the day and year first before written.

The common seal of the Corporation of the Mayor, Councillors, and Burgesses of the Borough of Port Chalmers was hereunto affixed in the presence of—

D. A. DEMAUS, Mayor.
JOHN TAIT, Councillor.
ALEX. CABLE, Councillor.

(SEAL.)

SECOND SCHEDULE.

THIS DEED is made the seventeenth day of July, nineteen hundred and five, between the Union Steam Ship Company of New Zealand (Limited), (hereinafter called the Company) of the one part, and the Otago Dock Trust (hereinafter called the Trust) of the other part : Whereas the Company has extensive workshops and yards for and in connection with the repairs and painting of ships at Port Chalmers : And whereas the Trust's graving-dock at present used by the Company at Port Chalmers is too small to accommodate the larger vessels of the Company : And whereas it would be of great commercial advantage to the Company if a larger dock were constructed at Port Chalmers, of sufficient size to accommodate the larger vessels of the Company : And whereas the construction at Port Chalmers of a larger dock to accommodate the larger vessels of the Company would obviate the necessity the Company would otherwise be under of providing repairing workshops and yards elsewhere, would enable the Company to save expenditure which otherwise it would have to incur, and would facilitate the carrying-out of the Company's business and otherwise be for its benefit : And whereas the Trust purpose raising a loan of seventy-five thousand pounds or thereabouts for the purpose of constructing a new graving-dock at Port Chalmers of increased size : And whereas, with a view to assisting the Trust to raise such loan, the Company has at the request of the Trust agreed to enter into these presents : Now this deed witnesseth and it is hereby agreed and declared as follows :—

(1.) The Company shall incur no liability under these presents until the said sum of seventy-five thousand pounds or such other sums as the Company may agree to has been lent or agreed to be lent to the Trust at such rate of interest, and upon such terms as to repayment by way of sinking fund or otherwise, and subject to such provisions generally as the Company may have agreed to, nor until the Trust shall have entered into a contract for the construction of the said dock at a price and upon such terms as to time of completion and otherwise as shall have been approved of by the Company, or made other arrangements satisfactory to the Company for the construction of the said dock.

(2.) After such contract shall have been entered into or such arrangements made the Company shall contribute to the Trust every year for a period of twenty years a sum of money to be applied towards payment of interest on any moneys borrowed by the Trust as aforesaid.

(3.) If in any year, after deducting the annual expenses of the Trust from the annual revenue of the Trust, the balance is insufficient to pay the interest on the said loan of seventy-five thousand pounds or thereabouts intended to be raised by the

Trust for the purpose of constructing the said dock at Port Chalmers, the Company will pay to the Trust or its assigns a sum equal to one-half of the amount of such insufficiency, but so that the contribution of the Company for any one year shall not exceed the sum of one thousand pounds.

(4.) The first contribution by the Company shall be made at the expiration of one year from the date on which the Trust shall enter into such contract as aforesaid, or, if other arrangements are made, when the Trust shall have expended the sum of five thousand pounds in the construction of the said graving-dock; each subsequent contribution shall be made by the Company on the anniversary of the date hereinbefore appointed for the making of the first contribution.

(5.) For the purpose of ascertaining the amount of each contribution interest shall be computed on the moneys for the time being borrowed as aforesaid for a period of one year ending on the day prior to that on which such contribution is appointed to be made, and the annual revenue and expenses of the Trust shall be computed for the same period.

(6.) The Trust shall, while the liability of the Company under this deed continues, allow the Company to inspect and take extracts from all books and records and all necessary vouchers and papers of the Trust showing the revenue and expenses of the Trust, and to appoint such accountant or accountants as may be required for that purpose.

(7.) In the construction and interpretation of these presents the expression "the annual revenue of the Trust" means the earnings and income of the Trust from all sources, including docks, freezing-works, sheerlegs, electric-lighting plant, and endowments, and including the annual subsidy payable to the Trust by the Otago Harbour Board, and any annual subsidy or other payment that may become payable to the Trust by the Government of New Zealand, but excluding the annual amounts to be paid to the Trust by the Corporation of the Borough of Port Chalmers and by the Company; and the expression "the annual expenses of the Trust" means—

(a.) The annual working-expenses of and incidental to all the Trust's operations, and the maintenance and renewal of all machinery and plant, and the upkeep of the docks and appurtenances, and such contingent expenses as may be lawfully chargeable against annual revenue:

(b.) Any annual payments for the purpose of creating a sinking fund for redemption of the moneys borrowed as aforesaid:

(c.) The interest on any balance of the freezing-works loan for the time being unpaid:

(d.) All charges and interest to be or become payable by the Trust upon any bank overdraft or to any banking company or corporation or to any lender of money.

(8.) From the commencement of the liability of the Company under these presents, and so long as such liability shall continue, the Trust will keep insured against loss or damage by fire the buildings, machinery, and plant belonging to the Trust specified in the Schedule hereto in the sums set opposite the same respectively in the said Schedule at the least, and will also keep on foot an insurance against claims by their employees under the Workers' Compensation Act, 1900, and the Acts amending the same or passed in substitution therefor, on the basis of the wages for the time being payable by the Trust, and will punctually pay all premiums required for the purposes aforesaid; and in default and as often as such default shall happen it shall be lawful for but not obligatory on the Company to effect such insurance or insurances for any less amounts, and any moneys paid by the Company in effecting such insurances, with interest thereon at bank rate from the date of payment, shall be repaid by the Trust to the Company on demand, and if not so repaid may be deducted from the moneys agreed to be contributed as herein provided.

In witness whereof these presents have been executed by or on behalf of the parties hereto the day and year first before written.

	<i>Schedule.</i>	£	s.	d.
Freezing-works	...	2,000	0	0
Dock workshops and machinery	...	400	0	0
Dock engine-room and machinery	...	300	0	0
Dock offices and waiting-room	...	100	0	0
Dock booms and house	...	600	0	0
Freezing-works engine-room and machinery	...	700	0	0
		£4,100	0	0

