

(c) An amount by way of premium calculated in accordance with the Third Schedule hereto in respect of the conversion of such of the existing securities as, at the date of conversion, bear interest at a rate which, as reduced in accordance with the provisions of Part I of the Act, exceeds the rate of interest payable on the new securities; reduced by the aggregate of the sums standing, at the date of conversion, to the credit of the existing sinking funds of the loans referred to in the First Schedule hereto.

9. The aggregate amount of principal secured by the new securities 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 thirty-five years, the first half-yearly instalment to fall due and be paid on the thirty-first day of January, one thousand nine hundred and forty, and subsequent half-yearly instalments to fall due and be paid on every thirty-first day of July and thirty-first day of January thereafter, the last half-yearly instalment to fall due and be paid on the thirty-first day of July, one thousand nine hundred and seventy-four.

10. (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 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.

11. (1) The provisions of section seventy-seven of the Reserves and other Lands Disposal and Public Bodies Empowering Act, 1924, shall, with all necessary modifications, apply with respect to such part of the new securities as pursuant to this Order are issued in conversion of existing securities issued in respect of any loan to which that section applies. References in the said section seventy-seven to payments of interest and sinking fund shall, for the purposes of this clause, be deemed to be references to payments of instalments of principal and interest under the new securities.

(2) Should any dispute arise as to the amount of contributions payable after the date of conversion by any of the contributory local authorities referred to in the said section seventy-seven, the matter shall be referred to the Controller and Auditor-General, whose decision shall be final and binding.

#### PLACE FOR PAYMENT OF PRINCIPAL AND INTEREST.

12. 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.

13. The holder of the existing securities converted into new securities shall surrender the existing securities in Wellington in exchange for the new securities.

#### CONSOLIDATED SPECIAL RATE.

14. (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. Such rate shall, in accordance with the provisions of section 43 of the Local Legislation Act, 1938, be levied on the basis of the classification of the land in the district made in the year 1917.

(2) Subject to the provisions of this Order, the provisions of the Local Bodies' Loans Act, 1926, the Land Drainage Act, 1908, 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:

Provided, however, that nothing in this clause shall be deemed to extinguish the liability of any ratepayer for special rates outstanding in respect of the loans enumerated in the First Schedule hereto at the commencement of this Order.

#### PAYMENT OF COSTS OF CONVERSION.

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

#### 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.