

APPLICATION OF ORDER.

3. This Order shall apply to all existing securities issued in respect of the loans specified in the First Schedule hereto held by the State Advances Corporation of New Zealand.

SPECIAL RESOLUTION OF LOCAL AUTHORITY.

4. (1) If the local authority so resolves by a resolution passed and confirmed as provided by subsection two of section nine of the Act, it may, with the consent of the holder of the existing securities to which this Order applies, and subject to and in accordance with the provisions of this Order, issue new securities in conversion of such existing securities:

(2) The following provisions of this Order shall come into force if such a resolution is passed and confirmed as aforesaid, but not otherwise:

Provided that a certificate signed by the Chairman of the local authority and published in the *Gazette* to the effect that such a resolution has been duly passed and confirmed shall be conclusive evidence of the facts therein certified.

DATE OF CONVERSION.

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

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 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 specified in writing, and when given shall be irrevocable.

NEW SECURITIES.

8. (1) The amount of principal to be secured by the new securities to be issued in accordance with this Order shall be the aggregate of the following amounts, namely—

(a) The amount of principal outstanding at the date of conversion in respect of the existing securities to which this Order applies;

(b) The amount of interest accrued in respect of such existing securities up to the date of conversion and not paid to or remitted by the State Advances Corporation on or before such date;

(c) An amount equal to the above recited seven-fiftieths of the amount of principal and interest outstanding at the date of conversion under the securities issued in respect of the three last loans set out in the First Schedule to the Lower Mangapiko Drainage Board's Loans Conversion Order, 1939 (No. 2).

(2) All sums payable by the local authority to the Lower Mangapiko Drainage Board under the provisions of section seventy-seven of the Reserves and Other Lands Disposal and Public Bodies Empowering Act, 1924, in respect of any period up to the date of conversion and not paid by the local authority and not included in the amount referred to in paragraph (c) of the preceding subclause hereof shall constitute a debt due by such local authority to the said Drainage Board and the provisions of paragraph five of the said section seventy-seven shall apply to such debt.

9. The aggregate amount of principal secured by the new securities to be issued in accordance with this Order, together with interest thereon computed at the rate of three and one-half 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 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.

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 EXISTING SECURITIES AND PAYMENT OF INTEREST THEREON.

12. The holder of the existing securities to which this Order applies shall surrender the existing securities in Wellington in exchange for the new securities.

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 on a uniform scale over the whole of that area of the district of the local authority which was comprised in the Tuatamoana Drainage District immediately prior to the abolition of that district 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.