

**TO: JIANHUA LU**

Notice to the mortgagor of mortgaged land of exercise of powers by reason of default Section 119, Property Law Act 2007 In the matter of section 119 of the Property Law Act 2007 and in the matter of Mortgage Instrument No: 9942360.5, North Auckland Registry (the mortgage) WHEREAS you have granted Mortgage Instrument number 9942360.5 (North Auckland Registry) (Mortgage) to Westpac New Zealand Limited (Mortgagee) to secure your obligations to the Mortgagee under a Choices Home Loan Agreement dated 22 December 2014 (Choices Agreement). AND WHEREAS clause 3.3(a) of the Memorandum of Terms and Conditions of the Mortgage (Mortgage Terms) provides that it is a default if "anything has happened or happens which, in Westpac NZ's opinion, may have a Material Adverse Effect". AND WHEREAS clause 4.2(g) of the Mortgage Terms provides that it is an "event of default" under the Mortgage if "any event or series of events, whether related or not, occurs which, in the opinion of the Secured Parties may have a Material Adverse Effect". AND WHEREAS clause 6.1 of the Mortgage Terms defines a Material Adverse Effect as a Material Adverse Effect on the "security position of the Secured Parties". Secured Parties includes the Mortgagee. AND WHEREAS clause 3.3(a) of the Choices Agreement Terms and Conditions (Choices Terms) provides it is a default if "anything has happened or happens which, in Westpac NZ's opinion, may have a Material Adverse Effect". AND WHEREAS clause 6.1(m) of the Choices Terms provides that a Material Adverse Effect means a Material Adverse Effect on "any Security". AND WHEREAS the Mortgagee has obtained a Registered Valuation dated 26 April 2017 for the mortgaged property at 91 Shelly Beach Road, Shelly Beach (Mortgaged Land) which values the Mortgaged Land at \$955,000.00. AND WHEREAS the amount outstanding under the Choices Agreement is \$1,154,748.99 as at 27 September 2017. PURSUANT to an order of the District Court at Auckland dated 28 August 2017 WESTPAC NEW ZEALAND LIMITED, the mortgagee under the Mortgage, gives notice that the consequence specified below will follow if each default specified below has not been, or cannot be, remedied on or before 10 November 2017. DEFAULT As at the date of this notice, you are in default under the Mortgage in that you have failed to pay the excess beyond the Credit Available under the Choices Agreement Account suffix No. 91 of \$10,752.99. The total amount now in arrears is \$10,752.99 You are in further default under the Mortgage in that the value of the Mortgaged Land is now valued at less than the amount outstanding under the Choices Agreement. ACTION You are required to remedy the specified defaults, or to cause the defaults to be remedied by: 1. payment of the sum of \$12,002.99 (which includes \$1,250.00, being the reasonable costs and disbursements of the mortgagee in preparing and serving this notice). Further expenses (including legal fees) relating to service of this notice may be incurred, full particulars of which will be supplied as soon as possible; and 2. reducing the amount outstanding to the Mortgagee to \$477,500.00 to ensure that the outstanding amount secured against the Mortgaged Land meets the Mortgagee's lending guidelines, and the guidelines set out by the Reserve Bank of New Zealand. CONSEQUENCE If each default has not been, or cannot be, remedied on or before 10 November 2017, - (a) all amounts secured by the Mortgage will become payable; (b) the following powers of the Mortgagee will become exercisable: (i) the Mortgagee's power to enter into possession of the Mortgaged Land; (ii) the Mortgagee's power to sell the Mortgaged Land. Important information for recipient of notice You are strongly recommended to consult a lawyer about this notice without delay. Signed and dated at Auckland on 6 October 2017 by WESTPAC NEW ZEALAND LIMITED by its solicitors and authorised agents SIMPSON GRIERSON per: J C Caird THIS NOTICE is given by the

Mortgagee, whose address for service is at Simpson Grierson, Level 27, 88 Shortland Street, Private Bag 92518, Auckland. Telephone: +64 9 358 2222. Facsimile: +64 9 307 0331. Email: [dnt@simpsongrierson.com](mailto:dnt@simpsongrierson.com) ANYONE knowing the whereabouts of JIANHUA LU is asked to bring this notice to his attention