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22 November 2006

**By Facsimile: 9210 6611**

Corrs Chambers Westgarth  
Lawyers  
GPO Box 9925  
SYDNEY NSW 2001

**Attention: Christine Covington/Jim Micallef**

Dear Sirs

**CATHERINE HILL BAY PROGRESS ASSOCIATION AND DUNE CARE INC AND  
COASTAL HAMLETS PTY LIMITED**

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We act for Catherine Hill Bay Progress Association and Dune Care Inc., which has sought our advice on your letter to it dated 17 November 2006.

We have advised our client that, because your letter does not provide any meaningful particulars of the basis upon which it is asserted that the material published by our client on its website is false (which is denied by our client), your client cannot assert that it would be malicious for our client to continue to publish such material. Further, we have advised our client that, for this reason, and also because your letter is deficient in the provision of particulars of actual pecuniary loss suffered by your client, the threat of proceedings by your client against our client for the tort of injurious falsehood is baseless.

Our client has instructed us that, notwithstanding our advice, and without admission, it has removed from its website the material about which your client has complained.

In order that our client can publish precise information on its website about your client's proposed development at Catherine Hill Bay, our client invites your client to provide the following information and particulars in relation thereto, namely:

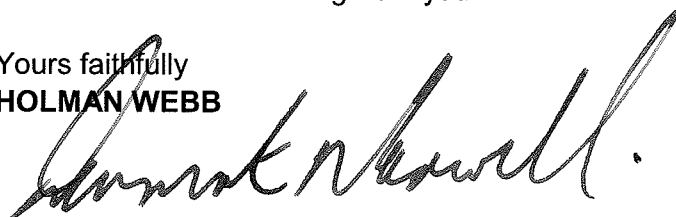
1. The precise location of the development. In this connection, please provide any relevant survey plans of subdivision, draft survey plans, sketch plans or other documents in your client's possession or control;
2. The manner in which your client will maintain the important environmental, visual and social characteristics of the village;

3. The precise number and size of the dwellings;
4. The density ratio of dwellings, floor space and landscaped area to land area;
5. The setbacks and curtilage provisions to ensure that the quality of the heritage village is maintained;
6. The height, materials and character of the dwellings;
7. The location of critical view corridors and vistas to be maintained;
8. The street pattern, hierarchy and relationship to the heritage village;
9. The public, pedestrian and cycle routes through the proposed development to the beach;
10. The location of public vehicular access to the beach and associated parking;
11. The measures to be taken to ameliorate the impact of increased traffic noise on existing heritage houses;
12. The measures and process to be taken to ensure that the heritage and design quality of the proposal (as suggested) will actually be delivered.

Our client asks that your client provide the information, particulars and documents requested above within the next 14 days, failing which it will assume that there is no significant difference between your client's proposed development and the information, which was published on our client's website in relation to such development prior to your client's complaint and threat of legal proceedings.

We look forward to hearing from you.

Yours faithfully  
**HOLMAN WEBB**



**Dermot Maxwell**

c.c. The Hon. Frank Sartor, Minister for Planning  
The Mayor, Lake Macquarie City Council