



10 May 2012

Credit and Asset Management
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Private & Confidential

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Dear Mr Butler

**National Hotel Property Pty Ltd (Receivers and Managers Appointed) and
Lighthouse Beach Holdings Pty Ltd (Receivers and Managers Appointed)**

1. We refer to your emails to David Gilbert of the Bank of Western Australia Limited (**Bank**) dated 14 April 2012 and 24 April 2012 (**Emails**).
2. We respond to your Emails as follows:
 - (a) in relation to the allegations that you have made with respect to the receivers and managers that the Bank has appointed (together, the **Receivers**) to certain property of, National Hotel Property Pty Ltd (**National Hotel Property**), Lighthouse Beach Holdings Pty Ltd (**Lighthouse**) and Butler Constructions Pty Ltd (**Butler Constructions**), the Bank makes no comment, save to say that:
 - (i) the Receivers were validly appointed pursuant to the terms of the relevant securities by virtue of defaults by each of the above named entities pursuant to the terms of those securities;
 - (ii) the Receivers do not act as the agents of the Bank in relation to the receiverships in respect of National Hotel Property, Lighthouse or Butler Constructions. Rather, the Receivers act as the agents of each of those entities in relation to the property the subject of their appointments in respect of those entities;
 - (iii) the allegations that you made as against the Receivers are matters that pertain to the Receivers rather than the Bank and should therefore be directed to the Receivers so that they may respond as they consider appropriate; and
 - (iv) by reason of the matters referred to above at paragraph 2(a)(ii), the Bank is not responsible for, or liable for, any of the actions of the Receivers and managers of the Companies and it would therefore be inappropriate for the Bank to respond to the allegations that you have made as against the Receivers other than as outlined above;
 - (b) similarly, any requests for the fees, costs and/or charges of the Receivers should be directed to the Receivers for their consideration;
 - (c) in relation to your request for interest rate information in relation to the financial accommodation that the Bank has provided to, amongst others, National Hotel Property, Lighthouse and Butler Constructions, we comment as follows:

(d) in relation to your request for confirmation of the Bank's costs/fee charges to date, we note that the Bank has incurred the following direct costs;

Facility name and account number	Account Type	Interest rate charged prior to appointment of receivers and managers	Interest rate charged post appointment of receivers and managers	Interest and Bankwest Account fees Charged to this account from 18/7/2011 until 30/4/2012	Loan balance
Lighthouse Beach Holdings P/L a/t/f/t Lighthouse Beach Unit Trust					
048-0585014	Business Bonus Cheque account	As at 17/7/2011 : Overdraft excess rate (all up 18.81%) *(1)	From 18/7/2011 : Overdraft excess rate (all up 18.81%)	\$531,478.25	As at 18/7/2011: \$129,074.74 As at 30/4/2012: \$665,640.12
048-0715986	Commercial Advance	As at 17/7/2011 : BBSY + 6% (all-up = 10.81%)	From 18/7/2011 : BBSY + 6% (all-up as at 30/4/2012 = 10.35%)	\$144,396.76	As at 18/7/2011: \$5,418,789.15 As at 30/4/2012: \$5,729,623.06
048-0781941	Commercial Advance	As at 17/7/2011 : BBSY + 6% (all-up = 10.81%)	From 18/7/2011 : BBSY + 6% (all-up as at 30/4/2012 = 10.35%)	\$31,685.58	As at 18/7/2011: \$1,220,000.00 As at 30/4/2012: \$1,261,972.49
048-0781959	Commercial Advance	As at 17/7/2011 : BBSY + 6% (all-up = 10.81%)	From 18/7/2011 : BBSY + 6% (all-up as at 30/4/2012 = 10.35%)	\$24,020.40	As at 18/7/2011: \$924,865.65 As at 30/4/2012: \$948,886.05
National Hotel Property Pty Ltd a/t/f/t National Hotel Property Trust and Brian Roland Benari					
048-0698627	Business Bonus Cheque account	As at 17/7/2011 Overdraft excess rate (all up 18.81%) *(1)	From 18/7/2011 : Overdraft excess rate (all up 18.81%)	\$332,234.69	As at 18/7/2011: \$43,006.33 As at 30/4/2012: \$380,288.12
048-0723377	Commercial Advance	As at 17/7/2011 : BBSY + 6% (all-up = 10.81%)	From 18/7/2011 : BBSY + 6% (all-up as at 30/4/2012 = 10.35%)	\$96,641.60	As at 18/7/2011: \$3,650,000.00 As at 30/4/2012: \$3,839,070.06
048-0733930	Commercial Advance	As at 17/7/2011 : BBSY + 6% (all-up = 10.81%)	From 18/7/2011 : BBSY + 6% (all-up as at 30/4/2012 = 10.35%)	\$29,867.55	As at 18/7/2011: \$1,150,000.00 As at 30/4/2012: \$1,179,867.55
Butler Constructions Pty Ltd					
048-0779459		As at 17/7/2011 : BBSY + 6% (all-up = 10.81%)	From 18/7/2011 : BBSY + 6% (all-up as at 30/4/2012 = 10.35%)	\$169,121.75	As at 18/7/2011: \$1,724,236.97 As at 30/4/2012: \$2,207,231.93

Notes:

*(1) Overdraft excess rate is currently 18.56% after a reduction in rates on 19/12/11.

- Appointment date 18/7/2011
- Commercial Advance facilities are rolled approximately monthly. The BBSY rate does fluctuate, however, the margin (6%) has not changed.
- Fuller details contained in attachment "A"

- (e) the Bank is of course aware of the Senate Inquiry into the banking sector which you refer to and continues to consider customer issues on a case by case basis consistent with the specific facts relevant to those customers;
- (f) in relation to the allegations that you have made regarding the Bank's conduct in a broader sense we maintain that:
 - (i) those allegations are inaccurate and made without basis;
 - (ii) the Receivers were appointed in exercise of the Bank's contractual rights to do so in reliance on the defaults alluded to above at paragraph 2(a)(i);
 - (iii) the Bank continues to unreservedly deny any allegation of wrong doing or impropriety by the Bank or any of its officers; and
 - (iv) the Bank maintains that it has at all times acted (and its officers have at all times acted) in accordance with their obligations at law.

For the avoidance of doubt, the Bank continues to reserve all of its rights against you including, without limitation, in relation to the matters the subject of this letter.

Yours sincerely



David Gilbert
Senior Manager
Credit and Asset Management

Attachment A

Date:	Account Name:	Account number:	Bank interest / fees:	Details:
18/07/2011	Lighthouse Beach Hold P/L	048-0585014		
28/07/2011			42,023.14	Int ex 048-0715986
29/07/2011			1,915.03	Int (capitalised)
1/08/2011			8,491.25	Int ex 048-0781959
1/08/2011			11,200.93	Int ex 048-0781941
29/08/2011			51,776.65	Int ex 048-0715986
31/08/2011			3,339.23	Int (capitalised)
1/09/2011			8,562.20	Int ex 048-0781959
1/09/2011			11,294.49	Int ex 048-0781941
28/09/2011			48,571.24	Int ex 048-0715986
30/09/2011			4,256.39	Int (capitalised)
30/09/2011			850.00	Line fee
3/10/2011			8,804.23	Int ex 048-0781959
3/10/2011			11,613.76	Int ex 048-0781941
28/10/2011			48,769.88	Int ex 048-0715986
31/10/2011			5,584.75	Int (capitalised)
1/11/2011			8,022.68	Int ex 048-0781959
1/11/2011			10,582.80	Int ex 048-0781941
28/11/2011			49,326.07	Int ex 048-0715986
30/11/2011			6,532.11	Int (capitalised)
1/12/2011			8,182.16	Int ex 048-0781959
1/12/2011			10,793.17	Int ex 048-0781941
28/12/2011			48,110.93	Int ex 048-0715986
30/12/2011			7,658.38	Int (capitalised)
30/12/2011			1,400.00	Line fee
3/01/2012			8,900.85	Int ex 078-0781959
3/01/2012			11,741.20	Int ex 048-0781941
30/01/2012			52,199.39	Int ex 048-0715986
31/01/2012			9,285.29	Int (capitalised)
29/02/2012			9,331.63	Int (capitalised)
30/03/2012			9,795.45	Int and fees (capitalised)
30/03/2012			1,650.00	Line fee
30/04/2012			10,311.97	Int and fees (capitalised)
			531,478.25	
Date:	Account Name:	Account number:	Bank interest / fees:	Details:
18/07/2011	National Hotel Prop P/L	048-0638627		
28/07/2011			28,306.54	Int ex 048-0723377
29/07/2011			635.33	Int (capitalised)
1/08/2011			10,558.26	Int ex 048-0733930
29/08/2011			34,882.71	Int ex 048-0723377
31/08/2011			1,461.77	Int (capitalised)
1/09/2011			10,646.44	Int ex 048-0733930
28/09/2011			32,714.58	Int ex 048-0723377
30/09/2011			2,108.32	Int (capitalised)
30/09/2011			450.00	Line fee
3/10/2011			10,947.40	Int ex 048-0733930
28/10/2011			32,848.38	Int ex 048-0723377
31/10/2011			2,921.68	Int (capitalised)
1/11/2011			9,975.59	Int ex 048-0733930
28/11/2011			33,613.56	Int ex 048-0723377
30/11/2011			3,531.41	Int (capitalised)
1/12/2011			10,173.89	Int ex 048-0733930
28/12/2011			32,344.77	Int ex 048-0723377
30/12/2011			4,240.49	Int (capitalised)
30/12/2011			800.00	Line fee
3/01/2012			11,067.53	Int ex 048-0733930
30/01/2012			35,016.90	Int ex 048-0723377
31/01/2012			5,225.94	Int (capitalised)
29/02/2012			5,331.29	Int (capitalised)
30/03/2012			6,546.23	Int and fees (capitalised)
30/04/2012			5,885.68	Int (capitalised)
			332,234.69	
Date:	Account Name:	Account number:	Bank interest / fees:	Details:
18/07/2011	Lighthouse Beach Hold P/L	048-0715986		
28/02/2012			45,679.11	Int (capitalised)
29/03/2012			45,906.23	Int (capitalised)
30/04/2012			52,811.42	Int (capitalised)
			144,396.76	
Date:	Account Name:	Account number:	Bank interest / fees:	Details:
18/07/2011	National Hotel Prop P/L	048-0723377		
28/02/2012			30,578.49	Int (capitalised)
28/03/2012			30,713.06	Int (capitalised)
30/04/2012			35,350.05	Int (capitalised)
			96,641.60	
Date:	Account Name:	Account number:	Bank interest / fees:	Details:
18/07/2011	National Hotel Prop P/L	048-0733930		
1/02/2012			9,601.41	Int (capitalised)
1/03/2012			9,609.32	Int (capitalised)
2/04/2012			10,656.82	Int (capitalised)
			29,867.55	
Date:	Account Name:	Account number:	Bank interest / fees:	Details:
18/07/2011	Butler Constructions P/L	048-0779459		
1/08/2011			13,373.44	Dishonoured int debit ex Other Financial Institution ("OFI")
31/08/2011			16,664.19	Dishonoured int debit ex OFI
30/09/2011			16,178.73	Dishonoured int debit ex OFI
1/11/2011			16,390.31	Dishonoured int debit ex OFI
30/11/2011			17,075.46	Dishonoured int debit ex OFI
30/12/2011			17,053.71	Dishonoured int debit ex OFI
1/02/2012			18,863.18	Dishonoured int debit ex OFI
28/02/2012			15,744.43	Int (capitalised)
28/03/2012			16,882.49	Int (capitalised)
30/04/2012			19,895.81	Int (capitalised)
			169,121.75	
Date:	Account Name:	Account number:	Bank interest / fees:	Details:
18/07/2011	Lighthouse Beach Hold P/L	048-0781941		
1/02/2012			10,185.85	Int (capitalised)
1/03/2012			10,194.24	Int (capitalised)
2/04/2012			11,305.49	Int (capitalised)
			31,685.58	
Date:	Account Name:	Account number:	Bank interest / fees:	Details:
18/07/2011	Lighthouse Beach Hold P/L	048-0781959		
1/02/2012			7,721.75	Int (capitalised)
1/03/2012			7,728.11	Int (capitalised)
2/04/2012			8,570.54	Int (capitalised)
			24,020.40	