

11 January 2008



<Name>

[Director] or [Secretary]

<Name of organisation>

<Address>

<Address>

Dear <Name>

**INVITATION TO SUBSCRIBE FOR SHARES AND BECOME A MEMBER OF AN
ELIGIBLE DIGITAL REPRESENTATIVE COMPANY FOR THE ADELAIDE RA1
COMMERCIAL RADIO LICENCE AREA**

Pursuant to section 9C of the *Radiocommunications Act* 1992 (the “**Radcoms Act**”) the Community Broadcasting Association of Australia, as promoter, invites all incumbent digital community radio broadcasting licensees (“**Incumbent Community Broadcasters**”) in the Adelaide RA1 commercial radio licence area, to subscribe for shares in a company (“**Adelaide DR Company**”) that will become digital community radio broadcasting representative company for the purposes of section 9C of the Radcoms Act.

The Adelaide DR Company has not been incorporated at the date of this invitation, but will be incorporated following the close of this invitation and Incumbent Community Broadcasters that accept this invitation will become the founding members of the Adelaide DR Company.

Please note that **only** those persons that fit the above criterion are entitled to subscribe for shares and become members of the Adelaide DR Company on its incorporation.

1. Reason for establishment of a Adelaide DR Company

First, on its incorporation, it is intended that all Incumbent Community Broadcasters (whether they accept this invitation or not) will give the Australian Communications and Media Authority (**ACMA**) a joint written notice under sub-section 9C(1)(b) of the Radcoms Act that the paragraph apply to the Adelaide DR Company.

Following that, it is intended that the Adelaide DR Company will accept an invitation to subscribe for shares and become a member of the eligible joint venture company being formed for the purposes of sub-section 102C(5) of the Radcoms Act (“**Adelaide JV Company**”) by Commercial Radio Australia (**CRA**), as promoter. The Adelaide JV Company is being formed to apply for the “Category 1 digital radio multiplex transmitter licences” for the Adelaide RA1 commercial radio licence area.

Sub-section 102C(5) of the Radcoms Act provides that only a digital community radio broadcasting representative company and the incumbent digital commercial radio broadcasting licensees in the area may become members of a Adelaide JV Company Adelaide RA1 commercial radio licence area.

On 11 December 2007, ACMA issued an invitation for an “**eligible joint venture company**” to apply for those licences. The term eligible joint venture company is defined in sub-section 102C(5) of the Radcoms Act.

ACMA’s invitation will be open for at least 150 days, from 11 December 2007 to 9 May 2008.

On 21 December 2007, CRA issued an invitation to eligible licensees (including the digital community radio broadcasting representative company) for the Adelaide commercial radio licence area to join a Adelaide JV Company. The invitation was published on ACMA’s Internet site on 24 December. Accordingly, CRA’s invitation will be open for at least 120 days from 24 December 2007.

2. Invitation to subscribe for shares and become a member of the proposed company

It is required that this invitation remain open for at least 90 days beginning on the date on which it is first published on ACMA’s website.

It is intended that the Adelaide DR Company will be formed after this invitation period ends and Incumbent Community Broadcasters that accept this invitation will be required to sign an application for shares and consent to become a member of the Adelaide DR Company to enable it to be formed.

The initial amount payable for the issue of shares will be \$1.00 per share and each member will subscribe for the same number of shares, which may be a nominal amount for the purpose of establishing the Adelaide DR Company. However, soon after the establishment of the Adelaide DR Company and once the funding requirements of the Adelaide JV Company are known, all members will be called on to provide further funding.

Those further funding contributions will be made on a pro rata basis relative to the number of shares that each member in the Adelaide DR Company holds when the call for additional funding is made.

As noted above, following incorporation it is intended that the Adelaide DR Company shall accept the CRA’s invitation to subscribe for shares in and become a member of the Adelaide JV Company.

3. Indicative Capital Costs for DR Company Members

In order to assist in making the decision on joining the Adelaide DR Company, the Community Broadcasting Association of Australia has developed an indicative infrastructure cost for each Adelaide DR Company member which will fall due in calendar year 2008. These figures have been determined having regard to the indicative infrastructure cost for the Adelaide DR Company’s share of funding for the Adelaide JV Company set out in the invitation received from CRA by the Community Broadcasting Association of Australia. These costs will be further refined and are meant as a guide only.

The Adelaide DR Company will have access to 2/9th of each foundation multiplex capacity. An indicative cost contained in CRA's invitation relating to the Adelaide JV Company that will operate the multiplex estimates the total indicative cost to the Adelaide DR Company for Adelaide will be <\$XXX>.

4. Membership is voluntary

Please note that membership of a Adelaide DR Company is **voluntary**.

If you are eligible to subscribe for shares and become a member, but choose not to become a member of a Adelaide DR Company, you will then be classed as an "access seeker". This means you will still have the statutory right to obtain access to one of the Adelaide digital radio multiplexes in order to provide digital community radio broadcasting services when digital radio broadcasting commences.

In order to obtain access to the digital broadcasting facilities operated by the Adelaide JV Company, *access seekers* will be required to pay an annual access fee which will be set by the Adelaide JV Company.

5. Activities of the proposed company

Pursuant to sub-section 9C(1)(k) of the Radcoms Act, the activities of a Adelaide DR Company will be confined to:

- Holding shares in one or more companies that hold, have applied for, or propose to apply for, category 1 digital radio multiplex transmitter licences or category 2 digital radio multiplex transmitter licences for the Adelaide area; and
- Exercising the powers conferred by the Radcoms Act on a digital community radio broadcasting representative company.

6. Share issue

On registration of a Adelaide DR Company with ASIC, each eligible applicant for membership will be issued with shares in the Company (see 2 above).

Members of the Adelaide DR Company will be required to subscribe for further shares when the further funding requirements are confirmed; it is expected this will occur once the CRA or the Adelaide JV Company have determined the final capital contribution requirements for the Adelaide JV Company and notified the Community Broadcasting Association of Australia (as promoter of the Adelaide DC Company) or the Adelaide DC Company if it has been formed – see paragraphs 2 and 3 above.

By accepting this invitation, eligible applicants will be required to provide the additional funding and subscribe for additional shares.

7. How to apply

If you meet the eligibility criteria above and wish to become a member of a Adelaide DR Company, you may do so via the consent form attached to this letter.

Each member of a Adelaide DR Company will be entitled to appoint one (1) director to the board of the Company.

Please ensure that the attached form is signed by people with the authority to bind your organisation.

Once the consent forms are completed, please return them to us. Postal and fax details for CBAA are listed on the forms.

Please do not hesitate to contact me on (02) 9318 9600 if you have any questions in relation to this invitation.

Yours sincerely

Barry Melville
General Manager

APPLICATION TO BECOME A MEMBER OF THE ADELAIDE DR COMPANY
Corporations Act 2001

To: Ian Laird

Fax: (02)

Digital Radio Project Manager

Community Broadcasting Association
of Australia PO Box 564 ALEXANDRIA
NSW 1435

APPLICATION TO BECOME A MEMBER

The organisation whose details are noted below (the "**Applicant**") applies to become a member of the Adelaide DR Company (the "**Company**") on the basis:

- (1) firstly, contemplated under section 9C of the *Radiocommunications Act 1992*;
- (2) secondly, as otherwise set out in the letter from the Community Broadcasting Association of Australia dated 11 January 2008 (to the extent consistent with the provisions of section 9C of the *Radiocommunications Act 1992*).

**Applicant
organisation name:**

ACN:

ABN:

**Registered
Address:**

.....

Share Class: ORDINARY SHARES

Date:
.....

Signed for and on behalf of the Applicant
organisation, identified above, in
accordance with section 127 of the
Corporations Act:

Signature of director

Signature of director/secretary

Full name of director (please print)

Full name of director/secretary
(please print)