<u>Loan and Related Arrangements</u>
<u>Aurora Communication, Inc., RuDex Broadcasting Limited</u>
<u>and Lazer Broadcasting Corporation</u>

<u>Parties</u>

Lazer Broadcasting Corporation, a California corporation ("Lazer")
Aurora Communications, Inc., a Nevada corporation ("Aurora")
RuDex Broadcasting Limited, a California corporation ("RuDex")
(Aurora and RuDex, "the Cooper Parties")[1]

<u>Strategic plan</u>

The Cooper Parties have filed Forms 175 with the FCC looking toward participation in Auction 37. Lazer did not file a Form 175 but wishes to participate in the auction as a lender and the holder of an option to purchase any FM construction permits awarded to the Cooper Parties in the auction. The Cooper Parties' goal is to obtain a reasonable return for the efforts made in identifying potential opportunities.

<u>Agreements needed</u>

1. Loan Agreement
    (a) Promissory note form
    (b) Stock Pledge and Security Agreement
2. Option Agreement

<u>Description of agreements</u>

The loan agreement will provide for an initial loan of $71,500 to cover up-front auction payments required by the FCC on September 24, 2004.[2] In the event no up-front money is used or if there is a surplus of up-front money at the conclusion of the auction, refunds from the FCC of any up-front deposits will be returned to Lazer. The loan agreement will specify a maximum loan draw amount of $3,000,000 to be allocated by between Cooper Parties as necessary depending on the amounts needed to achieve winning bids.

The Loan Agreement will have attached to it a promissory note form. A different note will used to reflect loan amounts for each market opportunity that develops from the auction. Up-front money will be attributed to one or more of the market/notes at the time the FCC seeks 20% deposits following winning bids. The notes will be payable on demand with interest at prime on September 24, 2005.

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[1] Please confirm exact legal names and that all corporations are organized and are in good standing under the laws of California.
[2] Up-front deposits of $26,500 and $45,000 for RuDex and Aurora, respectively, will be sufficient for those applicants to bid on all of the facilities specified in their Forms 175, except those in Texas.

The promissory notes will be secured by a single Stock Pledge and Security Agreement. Default under the security agreement will occur if the Cooper Parties fail to honor the option arrangement described below, fail to pay one of the notes when they become due, become insolvent or seek protection under bankruptcy laws, or seek to sell to a third party one or more of the construction permits obtained in the auction.

The Option Agreement will permit Lazer to purchase one or more of the FM construction permits obtained through the auction. Options for particular stations will be exercisable within one year after issuance of individual construction permits.[3] The option price for each construction permit shall be 120% of the auction bid price, minus the amount of the outstanding note attributable to the bid, which note will be cancelled upon assignment of the construction permit to Lazer.

[3] There is no need for the Cooper Parties to construct any stations because the Cooper Parties will not be entitled to bidding credits as a result of Lazer's having provided more than 33% of the bid money. Since the construction permits will not have been built out at the time of option exercise, there is no need to enter into LMA arrangements.