

**INTERCREDITOR AGREEMENT**

**THIS INTERCREDITOR AGREEMENT** (the "Agreement"), is dated as of April 18, 2005, and is by and among Star Broadcasting, Inc., a corporation organized under the laws of the State of Florida (the "SBI"), all of the stockholders of SBI (each a "Stockholder" and collectively the "Stockholders"), Cumulus Broadcasting LLC, a Nevada limited liability company ("CBL"), and Gulf Coast Broadcasting Company, Inc., an Alabama corporation ("GCBC," and, with CBL, sometimes referred to hereinafter individually as a "Lender" or collectively as the "Lenders").

WHEREAS, pursuant to that certain Asset Exchange Agreement (the "WPGG Exchange Agreement"), dated as of this same day, by and among SBI, CBL and Cumulus Licensing LLC "CLL"), and that certain Asset Purchase Agreement (the "Purchase Agreement," and, with the Exchange Agreement, the "Credit Agreements"), dated August 27, 2003, by and between SBI and GCBC, as amended, the Lenders are prepared to make certain loans (each a "Loan" and collectively the "Loans") to SBI; and

WHEREAS, the Loan to be made by CBL (the "CBL Loan") to SBI will be evidenced by SBI's promissory note (the "CBL Note"), dated as of this same day, in the original principal amount of \$1,500,000; and

WHEREAS, the Loan to be made by GCBC (the "GCBC Loan") to SBI will be evidenced by SBI's promissory note (the "GCBC Note," and, with the CBL Note, sometimes collectively referred to hereinafter as the "Notes"), dated as of this same day, in the original principal amount of \$1,250,000; and

WHEREAS, SBI, CLL and CBL are parties to that certain Asset Exchange Agreement (the "WTKE Exchange Agreement"), dated as of this same date, concerning CBL and CLL's acquisition of certain assets used or useful in the operation of radio station WTKE(FM) in Holt, Florida; and

WHEREAS, in accordance with the WTKE Exchange Agreement, CBL will make further loans (each a "Loan" and included within the definition of Loans in this Agreement) to SBI in the principal amount of Eight Hundred Fifty Thousand Dollars (\$850,000) which will be evidenced by two separate promissory notes (the "WTKE Notes" and included within the definition of Notes in this Agreement); and

WHEREAS, SBI, GCBC, and CBL are parties to that certain Acknowledgment of Collateral Assignment, dated as of this same date, in which the parties acknowledge and agree to be bound by that certain Collateral Assignment of Contract Rights which would authorize and direct CBL to pay to GCBC monies otherwise due to be paid to SBI at the closing of the WTKE Exchange Agreement;

WHEREAS, as security for the CBL Loans, SBI has executed that certain Security Agreement (as amended, modified or supplemented from time to time, the "Cumulus Security Agreement"), dated as of this same day, in favor of CBL, which grants to CBL a Security Interest in the Collateral; and

WHEREAS, as security for the GCBC Loan, SBI has executed that certain Security Agreement (as amended, modified or supplemented from time to time, the "GCBC Security

Agreement,” and, with the CBL Security Agreement, sometimes collectively referred to hereinafter as the “Security Agreements”), dated as of this same day in favor of GCBC, which grants to GCBC a security interest in the Collateral; and

WHEREAS, SBI has executed a mortgage for each of CBL and GCBC with respect to real property owned by SBI in Alabama as further security for SBI’s performance under the Notes; and

WHEREAS, the parties desire to set forth certain priorities in the Security Interests reflected in the Security Agreements and to establish restrictions on the ability of SBI and/or its Stockholders to acquire additional Collateral;

NOW, THEREFORE, in consideration of the foregoing and the mutual promises and covenants contained herein, the parties hereby agree as follows:

**SECTION 1.      Definitions.** In addition to the terms defined elsewhere in this Agreement, the following terms shall have the following meanings:

“Collateral” means all of the personal property and other assets covered by the Security Agreements, including the WPGG Assets, as defined in the CBL Security Agreement, the WIJK Assets, as defined in the CBL Security Agreement, the real property included in the WPGG Assets and the WIJK Assets, all as defined in the CBL Security Agreement, and the assets, whether real or personal property, tangible or intangible, used or useful in the operation of any radio station (including WTKE(FM) in Holt, Florida) that become part of the Collateral after the date of this Agreement.

“Event of Default” means an event of default as defined in any of the Loan Documents.

“Lien” means any lien, security interest, judgment, claim, or encumbrance of any kind or nature.

“Loan Documents” means the Credit Agreements, the Notes, the Security Agreements, this Agreement, and any and all other agreements executed and delivered by SBI and/or the Stockholders in connection with the Loans, and all amendments to and modifications of all of such documents.

“Mortgages” means the mortgages to secure SBI’s performance under the Notes.

“Security Interests” means the Liens on the Collateral as reflected in the Security Agreements and the Mortgages to secure SBI’s performance under the Notes.

“Secured Obligations” means the Notes and the obligations of SBI pursuant to or under the Credit Agreements.

**SECTION 2.      Priority of Security Interests.**

**2.1.      Subordination.** Except as otherwise set forth in this section, the Security Interests of GCBC in the Collateral shall at all times be subordinate to those of CBL, and

the Security Interests of CBL shall constitute a first priority Security Interest in the Collateral so long as the Secured Obligations of SBI to CBL have not be paid in full.

**2.2. Limitations on Priority.** Notwithstanding anything in Section 2.1 to the contrary, the Security Interests of CBL and GCBC in the WPGG Assets, as defined in the CBL Security Agreement, shall be on a *pari passu* basis: provided, that, prior to or simultaneous with the consummation of CBL's acquisition of certain WPGG Assets pursuant to the WPGG Exchange Agreement, GCBC shall release any and all Security Interests it has on those WPGG Assets if and only if, Cumulus abides by its obligation under the WPGG Exchange Agreement to convey the WPGG Assets, as defined in that agreement, free and clear of all Liens other than Permitted Encumbrances (as those terms are defined in the WPGG Exchange Agreement); provided further, that, upon release of its Liens on the WPGG Assets, as defined in the Exchange Agreement, GCBC's Security Interests in the WNCV Assets shall have priority over the Security Interests of CBL in those latter assets; provided further, that, if and when SBI acquires assets (the "WTKE Assets") used or useful in the operation of radio station WTKE(FM) in Holt, Florida, the Security Interests of CBL and GCBC shall be subordinate to the security interest of Debra Sanford to secure the performance of a \$900,000 promissory note (the "Sanford Note") that pre-dates SBI's acquisition of the WTKE Assets; and, provided further, that, after CBL acquires the WPGG Assets, as defined in the WPGG Exchange Agreement, GCBC may, upon any default by SBI under the GCBC Note and an acceleration of the monies owed thereunder, take any and all actions it deems appropriate with respect to the WNCV Assets upon thirty (30) days prior notice to CBL if, but only if, such action does not involve the WTKE Assets or any other Collateral.

**2.3. Survival of Priorities.** CBL and GCBC shall possess the Security Interests in the Collateral notwithstanding and be subject to the priorities set forth in this Agreement regardless of (a) any contrary provision in any Loan Document, (b) any priority in time or order of creation, attachment or perfection of any Security Interests in any of the Collateral by CBL or GCBC or (c) any provisions of, or filing or recording under, the Uniform Commercial Code of any state or under any other applicable statute or governmental regulation of any jurisdiction.

### **SECTION 3. Events of Default and Remedies.**

**3.1. Breach of this Agreement.** If any party hereto by action or omission breaches its obligations or covenants under this Agreement, such breach shall constitute an Event of Default under this Agreement immediately and shall entitle the other parties hereto to exercise whatever remedies may be available under the Loan Documents, in law or at equity.

**3.2. Remedies.** Upon the occurrence of an Event of Default under this Agreement or any of the other Loan Documents, CBL and GCBC shall each be entitled to exercise any remedies provided under the Security Agreements or any of the other Loan Documents, except to the extent such exercise would conflict with the provisions of this Agreement. Notwithstanding anything to the contrary in this Agreement, CBL or GCBC may obtain specific performance of any other party's obligations hereunder without posting bond, the parties recognizing that the radio station assets which constitute the Collateral represent unique assets and that it may be difficult, if not impossible, to quantify such party's damages. If CBL or GCBC seeks to specifically enforce another party's obligations hereunder, the latter party shall waive the defense that CBL or GCBC, as the case may be, has an adequate remedy at law.

**3.3. Limitation on Remedies.** Notwithstanding anything to the contrary in this Agreement, GCBC shall not exercise any right to accelerate the Secured Obligations or foreclose on the Collateral under the GCBC Security Agreement unless and until (a) CBL agrees in writing to allow such exercise: provided, that CBL's agreement shall not be necessary in the event that CBL exercises any right to accelerate the Secured Obligations or foreclose on the Collateral under the CBL Security Agreement; and, provided further, that CBL shall provide immediate notice to GCBC in the event that CBL does exercise its right to accelerate those Secured Obligations or foreclose on the Collateral under the CBL Security Agreement.

#### **SECTION 4. Application of Proceeds.**

**4.1. Priority of Payment.** In the event of any exercise of rights against the Collateral by CBL and GCBC, all net proceeds of the Collateral shall be applied in the following order: (a) first to CBL and GCBC in accordance with the priorities set forth in this Agreement; and (b) second to SBI or any other party entitled to receive such proceeds: provided, that, notwithstanding the foregoing, the net proceeds from the WTKE Assets included in the Collateral shall be applied first to Debra Sanford to satisfy the obligations under the Sanford Note.

**4.2. Insolvency Proceedings.** If SBI shall become subject to a proceeding under any bankruptcy or insolvency law at any time after an Event of Default has occurred and is continuing, any and all amounts in respect of the Secured Obligations received by any Lender shall be subject to the priorities set forth in this Agreement.

#### **SECTION 5. Representations, Warranties and Covenants of SBI and Stockholders.**

SBI and the Stockholders jointly and severally represent, warrant, and covenant to CBL and GCBC as follows:

**5.1. Organization.** The Stockholders hold all of the issued and outstanding capital stock of SBI and that there are no warrants, options, and instruments relating to the future ownership of any capital stock of SBI.

**5.2. Absence of Conflicts.** SBI and the Stockholders have taken all company actions necessary to authorize the execution, delivery, and performance of this Agreement. The execution, delivery, or performance of this Agreement will not, with the provision of notice or the passage of time or both, conflict with (a) the articles of incorporation or bylaws of SBI or (b) any agreement to which SBI or any of the Stockholders are a party or by which all or any one of them is bound. There are no existing Liens on any of the assets owned by SBI other than those specified in this Agreement.

**5.3. Restrictions on Liens and Acquisitions.** So long as any of the Secured Obligations remained unpaid, neither SBI nor any of the Stockholders shall, directly or indirectly, in their own name or through any corporation, limited liability company, partnership, or other entity, (a) acquire the assets of any radio station, or the ownership interests of any entity owning or holding the assets for any radio station, except through SBI or (b) allow the imposition of any Lien on any of the Collateral other than as specified in this Agreement or in the other Loan Documents.

**5.4. Future Stock Ownership.** Until the Secured Obligations are paid in full, SBI will not issue any of its stock, or the right to acquire any of its stock, and no Stockholder may transfer its stock in SBI or any interest in such stock, except to a person or entity who agrees in writing to be bound by the terms of this Agreement. Any such attempted transfer in violation of this section shall be void *ab initio* and enforceable in accordance with the terms of this Agreement. Until the Secured Obligations are paid in full, SBI and the Stockholders shall provide CBL and GCBC with at least ten (10) days prior notice of any proposed issuance or transfer of SBI stock or any interest in such stock.

**SECTION 6. Amendments.** Unless it first secures the written approval of the other Lender, neither CBL nor GCBC shall amend any Loan Document in any material respect, including, without limitation, any amendment that (a) increases the principal amount of, the interest rate on or fees payable in connection with any Note, (b) alters the maturity or repayment schedule of any Note, or (c) increases the principal amount of Secured Obligations. A release of any Security Interest on the Collateral by either CBL or GCBC shall not have any effect on the Security Interest of the other Lender.

**SECTION 7. Assignment of Notes.** Neither CBL nor GCBC may assign the CBL Note or the GCBC Note, as the case may be, unless the assignee agrees in writing to be bound by the terms of this Agreement. Any assignment of either Note in violation of the foregoing restriction shall be null and void *ab initio*.

**SECTION 8. Miscellaneous.**

**8.1. Conflicts.** In the event of any conflict between the provisions of this Agreement and the provisions of any Loan Document or any other agreement or instrument that evidences or relates to the Secured Obligations or the Collateral, the provisions of this Agreement shall prevail.

**8.2. Notices.** Any and all notices or other communications required or authorized hereunder shall be delivered by personal delivery or by overnight delivery service (charges prepaid) and shall be delivered to each party at the following addresses (or at such other address as any party may designate in writing to the other parties):

To SBI:

Ronald E. Hale, Jr., President  
Star Broadcasting, Inc.  
21 Miracle Strip Parkway  
Fort Walton Beach, FL 32548

To the Stockholders:

Ronald E. Hale, Jr.  
c/o Star Broadcasting, Inc.  
21 Miracle Parkway  
Fort Walton Beach, FL 32548

Jennifer F. Hale  
c/o Star Broadcasting, Inc.

21 Miracle Parkway  
Fort Walton Beach, FL 32548

James F. Hale  
c/o Star Broadcasting, Inc.  
21 Miracle Parkway  
Fort Walton Beach, FL 32548

With a copy to (by first class mail)

Timothy K. Brady, Esq.  
Law Offices of Timothy K. Brady  
PO Box 71309  
Newman, GA 30271

To CBL:

Richard S. Denning  
General Counsel & Vice President  
Cumulus Media Inc.  
3535 Piedmont Road  
Building 14, 14th Floor  
Atlanta, GA 30305

With a copy to:

Lewis J. Paper, Esq.  
Dickstein Shapiro Morin & Oshinsky LLP  
2101 L Street, NW  
Washington, DC 20037

To GCBC:

R. Lee Hagan, President  
Gulf Coast Broadcasting Company, Inc.  
26946 Martinique Drive  
Orange Beach, Alabama 36561

With a copy to:

Brooks P. Milling, Esq.  
Hand Arendall, L.L.C.  
Suite 2600  
107 St. Francis Street  
Mobile, AL 36602

**8.3. Notice of Amendments.** SBI shall promptly provide CBL and GCBC with a copy of any amendment, modification or waiver executed in connection with any Loan Document.

**8.4. Binding Effect and Benefit.** All of the terms and provisions of this Agreement shall inure to the benefit of and be binding upon and enforceable by the respective successors and permitted assigns of the parties.

**8.5. Integration.** This Agreement, along with the other Loan Documents, represents the entire understanding of the parties with respect to the subject matter hereof and may not be amended except by an instrument in writing signed by all parties hereto.

**8.6. Waivers.** No waiver of any right hereunder shall be effective unless in writing and signed by the party charged with the waiver. Any delay in a party's exercise of any rights hereunder shall not constitute a waiver or foreclose the exercise of any right at any later time. A waiver granted with respect to any particular provision in any particular instance shall not constitute a waiver of the same or any other provision in any similar or different circumstances.

**8.7. Governing Law.** This Agreement shall be governed by, and be construed and interpreted in accordance with, the laws of the State of Florida without reference to conflict of laws principles.

**8.8. WAIVER OF JURY TRIAL.** TO THE FULLEST EXTENT PERMITTED BY LAW, EACH OF THE PARTIES KNOWINGLY WAIVES ANY RIGHTS IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH, THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE LENDERS TO MAKE THEIR RESPECTIVE LOANS.

**8.9. Severability.** If any provision of this Agreement is held to be invalid or unenforceable by a court or other governmental authority of competent jurisdiction, such decision shall not invalidate or render unenforceable any other provision.

**8.10. Counterpart Signatures.** This Agreement may be executed by the parties hereto in one or more counterparts, each of which shall be deemed to be an original and all of which shall constitute together but one and the same agreement. Facsimile signatures shall be sufficient to make this Agreement effective.

**8.11. Term of Agreement.** This Agreement shall continue in full force and effect and shall be irrevocable by any party hereto until the earlier to occur of the following: (a) the parties hereto mutually agree in writing to terminate this Agreement; or (b) the date on which the Secured Obligations are fully and finally paid and discharged.

**8.12. Section Headings.** The section titles and headings contained in this Agreement are for convenience only and shall not affect the meaning of any provision herein.

**8.13. Further Assurances.** Each party hereto shall execute and deliver without fee or charge such further agreements and instruments, and to take such further actions, as may be necessary to give effect to the provisions of this Agreement.

**8.14.      Litigation.** If CBL or GCBC, individually or collectively, institute formal legal action to enforce its or their rights under this Agreement, the prevailing party or parties shall be entitled to reimbursement from the other party or parties for reasonable expenses incurred thereby, including reasonable attorneys' fees.

**8.15.      Legends.** CBL and GCBC shall include the following legend on each of the Notes which are executed by SBI:

THIS NOTE IS SUBJECT TO AN INTERCREDITOR AGREEMENT BY AND AMONG STAR BROADCASTING, INC., ITS STOCKHOLDERS, CUMULUS BROADCASTING LLC, AND GULF COAST BROADCASTING COMPANY, INC., AND ANY HOLDER OF THIS NOTE IS SUBJECT TO THE TERMS AND CONDITIONS OF THAT AGREEMENT.

*[Remainder of Page Intentionally Left Blank]*



IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date written above.

STAR BROADCASTING, INC.

By: \_\_\_\_\_  
Ronald E. Hale, Jr., President

CUMULUS BROADCASTING LLC

By: \_\_\_\_\_  
Richard S. Denning  
General Counsel & Vice President

GULF COAST BROADCASTING  
COMPANY, INC.

By: \_\_\_\_\_  
R. Lee Hagan, President

RONALD E. HALE, JR.

\_\_\_\_\_

JENNIFER F. HALE

By: \_\_\_\_\_

JAMES F. HALE

By: \_\_\_\_\_