

EXHIBIT E

Security Agreement

THE TERMS AND PROVISIONS OF THIS SECURITY AGREEMENT ARE ALSO SUBJECT TO THE TERMS AND PROVISIONS OF AN INTERCREDITOR AND SUBORDINATION AGREEMENT, DATED AS OF [____], 2004, BY AND AMONG [____], AS SUCH AGREEMENT MAY BE AMENDED, SUPPLEMENTED, RESTATED, OTHERWISE MODIFIED, OR REPLACED FROM TIME TO TIME (THE "INTERCREDITOR AGREEMENT").

SECURITY AGREEMENT

This **SECURITY AGREEMENT**, dated as of [____], 2004 (this "Security Agreement"), by and among BLUEWATER BROADCASTING COMPANY, L.L.C., a Florida limited liability company ("Borrower"), DEEP SOUTH BROADCASTING COMPANY, an Alabama corporation ("Deep South"), Montgomery Broadcast Properties, LTD., an Alabama corporation ("Montgomery"), Scott McQueen ("McQueen"), and [OTHERS] (Deep South, Montgomery, McQueen and OTHERS collectively, the "Secured Parties").

WHEREAS, Borrower and the Secured Parties have entered into a Senior Secured Promissory Note, as of even date herewith, as the same may be amended, modified, supplemented or restated from time to time (the "Note") pursuant to which Secured Parties have agreed to accept a secured promissory note from Borrower in exchange for certain assets and agreements; and

WHEREAS, one of the conditions precedent to the Secured Parties' obligations under the Note is that Borrower shall have executed and delivered this Security Agreement to secure the payment and performance of Borrower's Obligations.

NOW, THEREFORE, in order to induce the Secured Parties to accept the Note, and for other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the parties hereto hereby agree as follows:

1. Definitions.

All capitalized terms used herein and not otherwise defined shall have the respective meanings provided therefor in the Note, as applicable. All terms defined in the Uniform Commercial Code of the State of Alabama (the "UCC") and used herein, but not otherwise defined in the Note, shall have the same definitions herein as specified therein; provided, however, that the term "instrument" shall be such term as defined in Article 9 of the UCC of such jurisdiction rather than Article 3.

2. Grant of Security Interest.

2.1. Collateral Granted. The parties hereto recognize and agree that the security interests granted hereunder are expressly subject to the terms of the Intercreditor Agreement. In order to secure (i) the punctual payment and performance by Borrower of all the obligations, indebtedness and liabilities of

Borrower under the Note; (ii) the punctual payment and performance of all indebtedness, liabilities, obligations, terms, covenants and conditions of the Borrower under the Collateral Assignment and Pledge of Membership Interests, dated as of even date herewith, by and between the Secured Parties, Borrower, and the members of Borrower (as defined therein) (the “Pledge Agreement”); (iii) the payment and performance of all indebtedness, liabilities, obligations, terms, covenants and conditions of Borrower under the Real Estate Mortgage/Leasehold Real Estate Mortgage, dated as of even date herewith, by and between Borrower and the Secured Parties (the “Mortgage”); and (iv) the payment and performance of all indebtedness and other obligations of Borrower to the Secured Parties contained herein, and any and all other indebtedness, liabilities and obligations of Borrower to the Secured Parties of every kind and description, direct, indirect or contingent, now or hereafter existing, due or to become due under the Note (collectively, the “Borrower’s Obligations”), Borrower hereby grants to the Secured Parties a security interest and continuing lien (the “Security Interest”) on all of Borrower’s right, title and interest in, to and under all assets of Borrower, whether now owned or existing or hereafter acquired or arising and wherever located, including, without limitation, the following categories of assets (all of which being hereinafter collectively referred to as the “Collateral”):

- (a) Accounts;
- (b) Chattel Paper (whether tangible or electronic);
- (c) Deposit Accounts;
- (d) Documents;
- (e) General Intangibles (including Payment Intangibles and Software);
- (f) Goods (including Inventory, Equipment and any accessions thereto);
- (g) Health-Care Insurance Receivables;
- (h) Instruments;
- (i) Securities and all other Investment Property;
- (j) Letter of Credit Rights;
- (k) Money;
- (l) Commercial Tort Claims;
- (m) to the extent not otherwise included above, all Supporting Obligations relating to any of the foregoing;

(n) to the extent not otherwise included above, all Proceeds, products, accessions, rents and profits of or in respect of any of the foregoing;

(o) to the extent not otherwise included above, all of Borrower's rights under all present and future authorizations, permits, licenses and franchises heretofore or hereafter granted to Borrower for the operation and ownership of radio and other broadcast stations or with respect to any real or personal property with respect thereto (excluding licenses and permits issued by the Federal Communications Commission ("FCC")) to the extent, and only to the extent, it is unlawful to grant a security interest in such licenses and permits, but including within the definition of Collateral, to the maximum extent permitted by law, all rights incident or appurtenant to all licenses and permits, including, without limitation, the right to receive all Proceeds derived from or in connection with the sale, assignment or transfer of such authorizations, franchises, licenses and permits), including any options or derivative agreements or similar instruments to purchase the foregoing; and

(p) to the extent and only to the extent that Borrower is lawfully permitted to grant a security interest therein, all of Borrower's rights to broadcast radio programs of any kind, whether held under license, lease, agreement, contract or otherwise, including, without limitation, all rights for sports productions, news coverage and other radio products, and Borrower's rights to all audio tapes, files, recordings and other materials constituting or embodying such programming or rights, whether now owned or hereafter acquired by Borrower, or in which Borrower may now have or hereafter acquire an interest.

If Borrower shall at any time acquire a Commercial Tort Claim, Borrower shall immediately notify Secured Parties in writing signed by Borrower of the brief details thereof and grant to Secured Parties in such writing a security interest therein and in the Proceeds thereof, all upon the terms of this Security Agreement, with such writing to be in form and substance satisfactory to Secured Parties.

For avoidance of doubt it is expressly understood and agreed that, to the extent the UCC is revised subsequent to the date hereof such that the definition of any of the foregoing terms included in the description of the Collateral is changed, the parties hereto desire that any property which is included in such changed definitions which would not otherwise be included in the foregoing grant on the date hereof be included in such grant immediately upon the effective date of such revision, it being the intention of Borrower that the description of the Collateral set forth above be construed to include the broadest possible range of assets (except as otherwise specifically excluded herein). Notwithstanding the immediately preceding sentence, the foregoing grant is intended to apply immediately on the date hereof to all of the Collateral to the fullest extent permitted by applicable law regardless of whether any particular item of the Collateral is currently subject to the UCC.

2.2. Delivery of Instruments, etc.

(a) Upon the reasonable request of the Secured Parties, Borrower shall endorse, assign and deliver to the Secured Parties all negotiable or non-negotiable instruments, certificated securities and chattel paper pledged by it hereunder, together with instruments of transfer or assignment duly executed in blank as the Secured Parties may have specified. In the event that Borrower shall, after the date of this Security Agreement, acquire any other negotiable or non-negotiable instruments, certificated securities or chattel paper to be pledged by it hereunder, Borrower shall forthwith endorse, assign and deliver the same to the Secured Parties, accompanied by such instruments of transfer or assignment duly executed in blank as the Secured Parties may from time to time specify.

(b) To the extent that any securities now or hereafter acquired by Borrower are uncertificated and are issued to Borrower or its nominee directly by the issuer thereof, Borrower shall cause the issuer to note on its books the security interest of the Secured Parties in such securities and shall cause the issuer, pursuant to an agreement in form and substance reasonably satisfactory to the Secured Parties, to agree to comply with instructions from the Secured Parties as to such securities, without further consent of Borrower or such nominee. To the extent that any securities, whether certificated or uncertificated, or other investment property now or hereafter acquired by Borrower are held by Borrower or its nominee through a securities intermediary or commodity intermediary, Borrower shall, at the request of the Secured Parties, cause such securities intermediary or (as the case may be) commodity intermediary, pursuant to an agreement in form and substance satisfactory to the Secured Parties, to agree to comply with entitlement orders or other instructions from the Secured Parties to such securities intermediary as to such securities or other investment property, or (as the case may be) to apply any value distributed on account of any commodity contract as directed by the Secured Parties to such commodity intermediary, without further consent of Borrower or such nominee. The Secured Parties agree with Borrower that the Secured Parties shall not give any such entitlement orders or instructions or directions to any such issuer, securities intermediary or commodity intermediary unless an Event of Default has occurred and is continuing and the Secured Parties has elected to exercise its rights and remedies as contemplated by Section 13 hereof.

(c) To the extent that Borrower is a beneficiary under any written letter of credit now or hereafter issued in favor of Borrower, Borrower shall deliver such letter of credit to the Secured Parties. The Secured Parties shall from time to time, at the request and expense of Borrower, make such arrangements with Borrower as are in the Secured

Parties' reasonable judgment necessary and appropriate so that Borrower may make any drawing to which Borrower is entitled under such letter of credit, without impairment of the Secured Parties' perfected security interest in Borrower's rights to Proceeds of such letter of credit or in the actual Proceeds of such drawing. At the Secured Parties' request, Borrower shall, for any letter of credit, whether or not written, now or hereafter issued in favor of Borrower as beneficiary, execute and deliver to the issuer and any confirmer of such letter of credit an assignment of Proceeds form, in favor of the Secured Parties and satisfactory to the Secured Parties and such issuer or (as the case may be) such confirmer, requiring the Proceeds of any drawing under such letter of credit to be paid directly to the Secured Parties.

2.3. Excluded Collateral.

Notwithstanding the foregoing provisions of this Section 2, such grant of security interest shall not extend to, and the term "Collateral" shall not include, any chattel paper and general intangibles which are now or hereafter held by Borrower as licensee, lessee or otherwise, to the extent that (i) such chattel paper and general intangibles are not assignable or capable of being encumbered as a matter of law or under the terms of the license, lease or other agreement applicable thereto (but solely to the extent that any such restriction shall be enforceable under applicable law), without the consent of the licensor or lessor thereof or other applicable party thereto and (ii) such consent has not been obtained; provided, however, that the foregoing grant of security interest shall extend to, and the term "Collateral" shall include, (A) any and all Proceeds of such chattel paper and general intangibles to the extent that the assignment or encumbering of such Proceeds is not so restricted and (B) upon any such licensor, lessor or other applicable party consent with respect to any such otherwise excluded chattel paper or general intangibles being obtained, thereafter such chattel paper or general intangibles as well as any and all Proceeds thereof that might have theretofore have been excluded from such grant of a security interest and the term "Collateral".

2.4. Patent and Trademark Assignments. In the event that Borrower registers or acquires any registrations of patents, patent rights, trademarks, service marks, trademark rights or service mark rights with the United States Patent and Trademark Office, Borrower shall execute and deliver to the Secured Parties a Patent Assignment or Trademark Assignment, as the case may be, in form and substance reasonably acceptable to the Secured Parties, pursuant to which Borrower shall assign to Secured Parties such intellectual property rights, together with the goodwill appurtenant thereto. The provisions of any such Patent Assignment and any such Trademark Assignment shall be supplemental to the provisions of this Security Agreement, and nothing contained in any such Patent Assignment or Trademark Assignment shall derogate from any of the rights or remedies of the Secured Parties hereunder. Nor shall anything contained in any

such Patent Assignment or Trademark Assignment be deemed to prevent or extend the time of attachment or perfection of any security interest in such Collateral created hereby.

2.5. Copyright Memorandum. In the event that Borrower acquires any material copyrights, Borrower shall execute and deliver to the Secured Parties for recording in the United States Copyright Office (the "Copyright Office") a Memorandum of Grant of Security Interest in Copyrights with respect to such copyright(s) in form and substance reasonably acceptable to the Secured Parties. In such Memorandum, Borrower shall represent and warrant to the Secured Parties that such Memorandum identifies all then existing material copyrights and other rights in and to all material copyrightable works of Borrower, identified, where applicable, by title, author and/or Copyright Office registration number and date. Borrower covenants to the Secured Parties that it shall register all material copyrights with the Copyright Office. Borrower further covenants, promptly following Borrower's acquisition thereof, to provide to the Secured Parties identifications of all material copyrights and other rights in and to all material copyrightable works thereafter acquired by Borrower and to execute and deliver to the Secured Parties a supplemental Memorandum of Grant of Security Interest in Copyrights, modified to reflect such subsequent acquisitions.

3. Title to Collateral, etc. Borrower is the owner of the Collateral free from any adverse lien, security interest or other encumbrance, except for the security interest created by this Security Agreement, other liens of the types permitted by the Intercreditor Agreement ("Permitted Liens"), other liens for the benefit of the Secured Parties, and except as identified on Schedule I attached hereto. None of the account debtors in respect of any accounts, chattel paper or general intangibles and none of the obligors in respect of any instruments included in the Collateral is a governmental authority subject to the Federal Assignment of Claims Act.

4. Continuous Perfection. Borrower's state of formation and place of business or, if more than one, chief executive office is indicated on Schedule II attached hereto. Borrower will not change the same, or the name, identity or corporate structure of Borrower in any manner, without providing at least thirty (30) days prior written notice to Secured Parties. The Collateral, to the extent not delivered to Secured Parties pursuant to Section 2.2, will be kept at those locations listed on Schedule II attached hereto and Borrower will not remove the Collateral from such locations, except for temporary removals in the ordinary course of business, without providing at least thirty (30) days prior written notice to the Secured Parties.

5. No Transfers. Except as permitted under the Intercreditor Agreement, Borrower will not sell, offer to sell, encumber, or otherwise transfer the Collateral or any interest therein except for (i) sales and leases of inventory and licenses of general intangibles in the ordinary course of business, (ii) sales or other dispositions of obsolescent items of equipment in the ordinary course of business consistent with

industry practices for similar businesses, and (iii) encumbrances which are junior to the security interests granted herein.

6. Insurance.

6.1. Maintenance of Insurance. With effect from a period not to exceed ten (10) business days after the date of this Security Agreement Borrower will obtain and thereafter maintain with financially sound and reputable insurers insurance with respect to its properties and business in such amounts and against such casualties and contingencies as the Secured Parties shall reasonably require. Such insurance shall be in such minimum amounts that Borrower will not be deemed a co-insurer under applicable insurance laws, regulations and policies and otherwise shall be in such amounts, contain such terms, be in such forms and be for such periods as may be reasonably satisfactory to the Secured Parties. In addition, all such insurance shall be payable to the Secured Parties as loss payee, if permitted by such policies.

6.2. Insurance Proceeds. The Proceeds of any casualty insurance in respect of any casualty loss of any of the Collateral shall, subject to the rights, if any, of other parties with a prior interest in the property covered thereby, (i) so long as no Event of Default has occurred and is continuing and to the extent that the amount of such Proceeds is less than Fifty Thousand Dollars and no cents (\$50,000.00), be disbursed to Borrower for direct application by Borrower solely to the repair or replacement of Borrower's property so damaged or destroyed and (ii) in all other circumstances, be disbursed and held by the Secured Parties as cash collateral for the Borrower's Obligations. The Secured Parties may, at their sole option, disburse from time to time all or any part of such Proceeds so held as cash collateral, upon such terms and conditions as the Secured Parties may reasonably prescribe, for direct application by Borrower solely to the repair or replacement of Borrower's property so damaged or destroyed, or the Secured Parties may apply all or any part of such Proceeds to the Borrower's Obligations with the Loan (if not then terminated) being reduced by the amount so applied to the Borrower's Obligations.

6.3. Notice of Cancellation, etc. All policies of insurance shall provide for at least thirty (30) days prior written cancellation notice to the Secured Parties. In the event of failure by Borrower to provide and maintain insurance as herein provided, the Secured Parties may, at their option, provide such insurance and charge the amount thereof to Borrower, which amount thereof shall be an obligation secured hereby and due to the Secured Parties on demand. Borrower shall furnish the Secured Parties with certificates of insurance and policies evidencing compliance with the foregoing insurance provision.

7. Maintenance of Collateral; Compliance with Law. Borrower will keep the Collateral in good order and repair, ordinary wear and tear and damage by fire or other casualty excepted, and will not use the same in violation of law or any policy of

insurance thereon. The Secured Parties, or its designee, may inspect the Collateral at any reasonable time, wherever located. Borrower will pay promptly when due all taxes, assessments, governmental charges and levies upon the Collateral or incurred in connection with the use or operation of such Collateral or incurred in connection with this Security Agreement. Borrower has at all times operated, and Borrower will continue to operate, its business in compliance with all applicable provisions of the federal Fair Labor Standards Act, as amended.

8. Collateral Protection Expenses; Preservation of Collateral.

8.1. Expenses Incurred by Secured Parties. In their sole discretion, the Secured Parties may at any time discharge any taxes levied and other encumbrances placed on any of the Collateral, make repairs thereto and pay any necessary filing fees; provided that with respect to the other encumbrances discharged prior to an Event of Default, the liabilities relating thereto are due and owing at the time of such discharge. Borrower agrees to reimburse the Secured Parties on demand for any and all expenditures so made. The Secured Parties shall have no obligation to Borrower to make any such expenditures, nor shall the making thereof relieve Borrower of any default.

8.2. The Secured Parties' Obligations and Duties. Anything herein to the contrary notwithstanding, Borrower shall remain liable under each contract or agreement comprised in the Collateral to be observed or performed by Borrower thereunder. The Secured Parties shall not have any obligation or liability under any such contract or agreement by reason of or arising out of this Security Agreement or the receipt by the Secured Parties of any payment relating to any of the Collateral, nor shall the Secured Parties be obligated in any manner to perform any of the obligations of Borrower under or pursuant to any such contract or agreement, to make inquiry as to the nature or sufficiency of any payment received by the Secured Parties in respect of the Collateral or as to the sufficiency of any performance by any party under any such contract or agreement, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to the Secured Parties or to which the Secured Parties may be entitled at any time or times. The Secured Parties' sole duty with respect to the custody, safe keeping and physical preservation of the Collateral in its possession, under the UCC or otherwise, shall be to deal with such Collateral in the same manner as the Secured Parties deal with similar property for their own account.

9. Securities and Deposits. Upon the occurrence and during the continuance of an Event of Default, the Secured Parties may, at its option, transfer to itself or any nominee any securities constituting Collateral, receive any income thereon and hold such income as additional Collateral or apply it to the Borrower's Obligations, and the Secured Parties may demand, sue for, collect, or make any settlement or compromise which it deems desirable with respect to the Collateral. Regardless of the adequacy of the Collateral or any other security for the Borrower's Obligations, after the occurrence and

during the continuance of any Event of Default, any deposits or other sums at any time credited by or due from the Secured Parties to Borrower may at any time be applied to or set off against any of the Borrower's Obligations.

10. Notification to Account Debtors and Other Obligors. If an Event of Default shall have occurred and be continuing, Borrower shall, at the request of the Secured Parties, notify account debtors on accounts, chattel paper and general intangibles of Borrower and obligors on instruments for which Borrower is an obligee of the security interest of the Secured Parties in any account, chattel paper, general intangible or instrument and that payment thereof is to be made directly to the Secured Parties or to any financial institution designated by the Secured Parties as the Secured Parties' agent therefor, and the Secured Parties may itself, if an Event of Default shall have occurred and be continuing, without notice to or demand upon Borrower, so notify account debtors and obligors. After the making of such a request or the giving of any such notification, Borrower shall hold any Proceeds of collection of accounts, chattel paper, general intangibles and instruments received by Borrower as trustee for the Secured Parties without commingling the same with other funds of Borrower and shall turn the same over to the Secured Parties in the identical form received, together with any necessary endorsements or assignments. The Secured Parties shall apply the Proceeds of collection of accounts, chattel paper, general intangibles and instruments received by the Secured Parties to the Borrower's Obligations, such Proceeds to be immediately entered after final payment in cash or solvent credits of the items giving rise to them.

11. Further Assurances. Borrower, at its own expense, shall do, make, execute and deliver all such additional and further acts, things, deeds, assurances and instruments as the Secured Parties may reasonably require more completely to vest in and assure to the Secured Parties their respective rights hereunder or in any of the Collateral, including, without limitation, (i) executing, delivering and, where appropriate, filing financing statements and continuation statements under the UCC, (ii) using its best efforts to obtain governmental and other third party consents and approvals, (iii) using its best efforts to obtain waivers from mortgagees and landlords, (iv) using its best efforts to obtain an acknowledgement, in form and substance satisfactory to the Secured Parties, of any bailee having possession of any of the Collateral that the bailee holds such Collateral for the Secured Parties, (v) to obtain "control" of any Investment Property, Deposit Accounts, Letter-of-Credit Rights or electronic Chattel Paper, with any agreements establishing control to be in form and substance satisfactory to the Secured Parties, and (vi) otherwise to insure the continued perfection and priority of the Secured Parties' security interest in any of the Collateral and of the preservation of its rights therein.

12. Power of Attorney.

12.1. Appointment and Powers of Secured Parties. Subject to Section 21 hereof, Borrower hereby irrevocably constitutes and appoints the Secured Parties and any officer or agent thereof, with full power of substitution, as its true and lawful attorneys-in-fact with full irrevocable power and authority in the place and stead of Borrower or in the Secured Parties' own names, for the purpose of

carrying out the terms of this Security Agreement, to take any and all appropriate action and to execute any and all documents and instruments that may be necessary or desirable to accomplish the purposes of this Security Agreement and, without limiting the generality of the foregoing, hereby gives said attorneys the power and right, on behalf of Borrower, without notice to or assent by Borrower, to do the following:

(a) upon the occurrence and during the continuance of an Event of Default, generally to sell, transfer, pledge, make any agreement with respect to or otherwise deal with any of the Collateral in such manner as is consistent with the UCC and as fully and completely as though the Secured Parties were the absolute owner thereof for all purposes, and to do at Borrower's expense, at any time, or from time to time, all acts and things which the Secured Parties deems necessary to protect, preserve or realize upon the Collateral and the Secured Parties' security interest therein, in order to effect the intent of this Security Agreement, all as fully and effectively as Borrower might do, including, without limitation, (i) the filing and prosecuting of registration and transfer applications with the appropriate federal or local agencies or authorities with respect to trademarks, copyrights and patentable inventions and processes, (ii) upon written notice to Borrower, the exercise of voting rights with respect to voting securities, which rights may be exercised, if the Secured Parties so elect, with a view to causing the liquidation in a commercially reasonable manner of assets of the issuer of any such securities and (iii) the execution, delivery and recording, in connection with any sale or other disposition of any Collateral, of the endorsements, assignments or other instruments of conveyance or transfer with respect to such Collateral; and

(b) to file such financing statements with respect hereto, with or without Borrower's signature, or a photocopy of this Security Agreement in substitution for a financing statement, as the Secured Parties may deem appropriate and to execute in Borrower's name such financing statements and amendments thereto and continuation statements which may require Borrower's signature.

12.2. Ratification by Borrower. To the extent permitted by law, Borrower hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. This power of attorney is a power coupled with an interest and shall be irrevocable.

12.3. No Duty on Secured Parties. The powers conferred on the Secured Parties hereunder are solely to protect the interests of the Secured Parties in the Collateral and shall not impose any duty upon the Secured Parties to exercise any such powers. The Secured Parties shall be accountable only for the amounts that they actually receive as a result of the exercise of such powers and neither it nor any of its officers, directors, employees or Secured Parties shall be

responsible to Borrower for any act or failure to act, except for the Secured Parties' own gross negligence or willful misconduct.

13. Remedies. If an Event of Default shall have occurred and be continuing, the Secured Parties may, at any time after ten (10) days from delivery of a notice to Borrower of such Event of Default and, if Borrower has not cured such Event of Default in such ten (10) day period, declare this Security Agreement to be in default, and the Secured Parties shall thereafter have in any jurisdiction in which enforcement hereof is sought, in addition to all other rights and remedies, the rights and remedies of a Secured Parties under the UCC, including, without limitation, the right to take possession of the Collateral, and for that purpose the Secured Parties may, so far as Borrower can give authority therefor, enter upon any premises on which the Collateral may be situated and remove the same therefrom. The Secured Parties may in their discretion require Borrower to assemble all or any part of the Collateral at such location or locations within the state(s) of Borrower's principal office(s) or at such other locations as the Secured Parties may designate. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, the Secured Parties shall give to Borrower at least five (5) Business Days' prior written notice of the time and place of any public sale of Collateral or of the time after which any private sale or any other intended disposition is to be made. Borrower hereby acknowledges that five (5) Business Days' prior written notice of such sale or sales shall be reasonable notice. In addition, Borrower waives any and all rights that it may have to a judicial hearing in advance of the enforcement of any of the Secured Parties' rights hereunder, including, without limitation, its right following an Event of Default to take immediate possession of the Collateral and to exercise its rights with respect thereto. To the extent that any of the Borrower's Obligations are to be paid or performed by a person other than Borrower, Borrower waives and agrees not to assert any rights or privileges which it may have under the UCC.

14. No Waiver, etc. Borrower waives demand, notice, protest, notice of acceptance of this Security Agreement, notice of loans made, credit extended, Collateral received or delivered or other action taken in reliance hereon and all other demands and notices of any description. With respect to both the Borrower's Obligations and the Collateral, Borrower assents to any extension or postponement of the time of payment or any other indulgence, to any substitution, exchange or release of or failure to perfect any security interest in any Collateral, to the addition or release of any party or person primarily or secondarily liable, to the acceptance of partial payment thereon and the settlement, compromising or adjusting of any thereof, all in such manner and at such time or times as the Secured Parties may deem advisable. The Secured Parties shall have no duty as to the collection or protection of the Collateral or any income thereon, nor as to the preservation of rights against prior parties, nor as to the preservation of any rights pertaining thereto beyond the safe custody thereof as set forth in Section 8.2 hereof. The Secured Parties shall not be deemed to have waived any of their rights upon or under the Borrower's Obligations or the Collateral unless such waiver shall be in writing and signed by the Secured Parties. No delay or omission on the part of the Secured Parties in exercising any right shall operate as a waiver of such right or any other right. A waiver

on any one occasion shall not be construed as a bar to or waiver of any right on any future occasion. All rights and remedies of the Secured Parties with respect to the Borrower's Obligations or the Collateral, whether evidenced hereby or by any other instrument or papers, shall be cumulative and may be exercised singularly, alternatively, successively or concurrently at such time or at such times as the Secured Parties deem expedient.

15. Marshalling. The Secured Parties shall be not required to marshal any present or future collateral security (including but not limited to this Security Agreement and the Collateral) for, or other assurances of payment of, the Borrower's Obligations or any of them or to resort to such collateral security or other assurances of payment in any particular order, and all of the rights of the Secured Parties hereunder and of the Secured Parties in respect of such collateral security and other assurances of payment shall be cumulative and in addition to all other rights, however existing or arising. To the extent that it lawfully may, Borrower hereby agrees that it will not invoke any law relating to the marshalling of collateral which might cause delay in or impede the enforcement of the Secured Parties' rights under this Security Agreement or under any other instrument creating or evidencing any of the Borrower's Obligations or under which any of the Borrower's Obligations is outstanding or by which any of the Borrower's Obligations is secured or payment thereof is otherwise assured, and, to the extent that it lawfully may, Borrower hereby irrevocably waives the benefits of all such laws.

16. Proceeds of Dispositions; Expenses. Borrower shall pay to the Secured Parties on demand any and all expenses, including reasonable attorneys' fees and disbursements, incurred or paid by the Secured Parties in protecting, preserving or enforcing the Secured Parties' rights under or in respect of any of the Borrower's Obligations or any of the Collateral. After deducting all of said expenses, the residue of any Proceeds of collection or sale of the Borrower's Obligations or the Collateral shall, to the extent actually received in cash, be applied to the payment of the Borrower's Obligations in such order or preference as the Secured Parties may determine, proper allowance and provision being made for any of the Borrower's Obligations not then due. Upon the final payment and satisfaction in full of all of the Borrower's Obligations and after making any payments required by the UCC, any excess shall be returned to Borrower, and Borrower shall remain liable for any deficiency in the payment of the Obligations.

17. Governing Law; Consent to Jurisdiction and Venue. THIS SECURITY AGREEMENT IS INTENDED TO TAKE EFFECT AS A SEALED INSTRUMENT AND SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF ALABAMA. Borrower and the Secured Parties, to the extent that each may lawfully do so, hereby consent to the exclusive jurisdiction of the Circuit Court of Montgomery County, Alabama, and the United States District Court for the Middle District of Alabama, as well as to the jurisdiction of all courts to which an appeal may be taken from such courts, for the purpose of any suit, action or other proceeding arising out of any of its obligations arising hereunder or under the Note, and expressly knowingly, voluntarily, intentionally and

irrevocably, waive any and all objections it may have as to venue, including, without limitation, the inconvenience of such forum, in any of such courts. Borrower hereby expressly waives personal service of the summons and complaint, or other process or papers issued in the action or proceeding, and agrees that service of such summons and complaint or other process or papers may be made by registered or certified mail addressed to Borrower at the address to which notices are to be sent to Borrower pursuant to this Security Agreement. Should Borrower, after being so served, fail to appear or answer to any summons, complaint, process or papers so served within the number of days prescribed by Alabama law after the mailing thereof, Borrower shall be deemed in default and an order and/or judgment may be entered by the Secured Parties against Borrower as requested in such summons, complaint, process or papers. The consent to forum for Borrower set forth in this Section 17 shall not be deemed to preclude the enforcement by the Secured Parties of any judgment obtained in any other forum or the taking, by the Secured Parties, of any action to enforce the same in any other appropriate jurisdiction, and Borrower hereby expressly waives the right to collaterally attack any such judgment or action.

18. Waiver of Jury Trial. BORROWER WAIVES ITS RIGHT TO A JURY TRIAL WITH RESPECT TO ANY ACTION OR CLAIM ARISING OUT OF ANY DISPUTE IN CONNECTION WITH THIS SECURITY AGREEMENT, ANY RIGHTS OR THE BORROWER'S OBLIGATIONS HEREUNDER OR THE PERFORMANCE OF ANY SUCH RIGHTS OR OBLIGATIONS. Except as prohibited by law, Borrower waives any right which it may have to claim or recover in any litigation referred to in the preceding sentence any special, exemplary, punitive or consequential damages or any damages other than, or in addition to, actual damages. Borrower (i) certifies that neither the Secured Parties nor any representative, Secured Parties or attorney of the Secured Parties have represented, expressly or otherwise, that the Secured Parties would not, in the event of litigation, seek to enforce the foregoing waivers, and (ii) acknowledges that, in executing the Note and any other financing documents delivered pursuant thereto to which the Secured Parties are a party, the Secured Parties are relying upon, among other things, the waivers and certifications contained in this Section 18.

19. Miscellaneous. The headings of each section of this Security Agreement are for convenience only and shall not define or limit the provisions thereof. This Security Agreement and all rights and obligations hereunder shall be binding upon Borrower and its respective successors and assigns, and shall inure to the benefit of the Secured Parties and its respective successors and assigns. If any term of this Security Agreement shall be held to be invalid, illegal or unenforceable, the validity of all other terms hereof shall in no way be affected thereby, and this Security Agreement shall be construed and be enforceable as if such invalid, illegal or unenforceable term had not been included herein. Borrower acknowledges receipt of a copy of this Security Agreement.

20. Termination of Security Interests; Release of Collateral. Upon the indefeasible repayment and performance in full of all the Borrower's Obligations, the Security Interests shall terminate and all rights to the Collateral shall revert to Borrower.

Upon any such termination of the Security Interests or release of the Collateral, the Secured Parties will, at Borrower's expense to the extent permitted by law, execute and deliver to Borrower such documents as Borrower shall reasonably request to evidence the termination of the Security Interests or the release of such Collateral, as the case may be. In the event that all or any part of the payments described in this Section 20 are rescinded or recovered directly or indirectly from the Secured Parties as a preference, fraudulent transfer or otherwise (whether by demand, settlement, litigation or otherwise), such rescinded or recovered payments shall constitute the Borrower's Obligations for all purposes hereunder and such obligations of Borrowers hereunder shall continue and remain in full force and effect or be reinstated, as the case may be.

21. FCC Approval. Notwithstanding anything to the contrary contained herein, the Secured Parties shall not take any action pursuant to this Security Agreement which would constitute or result in any assignment of an FCC license or any change of control of Borrower if such assignment of an FCC license or change of control would require under then existing law (including the written rules and regulations promulgated by the FCC), the prior approval of the FCC, without first obtaining such approval of the FCC. Borrower agrees to take any action which the Secured Parties may reasonably request in order to obtain and enjoy the full rights and benefits granted to the Secured Parties by this Security Agreement and each other agreement, instrument and document delivered to the Secured Parties in connection herewith or in any document evidencing or securing the Collateral, including specifically, at Borrower's own cost and expense, the use of its best efforts to assist in obtaining approval of the FCC for any action or transaction contemplated by this Security Agreement which is then required by law, and specifically, without limitation, upon request, to prepare, sign and file with the FCC the assignor's or transferor's portion of any application or applications for consent to the assignment of license or transfer of control necessary or appropriate under the FCC's rules and regulations for approval of (a) any sale or sales of property constituting the Collateral by or on behalf of the Secured Parties, or (b) any assumption by the Secured Parties of voting rights or management rights in property constituting the Collateral effected in accordance with the terms of this Security Agreement; provided, however, that Borrower shall not be required to sign any instrument or application that is blank in whole or in part or that contains any material misstatement or inaccuracy or which omits any information which is needed to make such instrument or application complete and not misleading.

22. Agent. The Secured Parties now or hereafter party to this Agreement hereby appoint the Senior Agent then serving under the Note (the "Agent"), as agent to act as such under this Agreement. Each of the Secured Parties hereby authorizes the Agent to perform any action it deems necessary on behalf of the Secured Parties pursuant to the rights and obligations contained in this Agreement. Sections 13.5, 13.6, 13.7, 13.8 and 13.9 contained in the Note are hereby incorporated by reference. The Agent may perform any of its duties under this Agreement by or through its agents or employees. None of the Secured Parties shall take any action which would jeopardize the rights of the Agent and the other Secured Parties, and in any event shall give prior notice thereof to the Agent. The Borrower hereby acknowledges that all notices to be delivered to any of the Secured Parties shall simultaneously be transmitted to the Agent.

[Signature Page Follows]

IN WITNESS WHEREOF, intending to be legally bound, Borrower has caused this Security Agreement to be duly executed as of the date first above written.

Borrower

**BLUEWATER BROADCASTING
COMPANY, L.L.C.**

By: _____
Name: _____
Title: _____

Acknowledged and Accepted by:

Agent

By: _____
Name: Scott McQueen

Secured Parties

DEEP SOUTH BROADCASTING COMPANY

By: _____
Name: William J. Brennan, President

MONTGOMERY BROADCAST PROPERTIES, LTD

By: _____
Name:

By: _____
Name: Scott McQueen

By: _____
Name: [OTHERS]

Schedule I

Liens

Secured Parties

Statement Number

Date

Schedule II

State of Formation, Chief Executive Office and Locations of Collateral