

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 10-Q**

- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2012
- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM \_\_\_\_\_ TO \_\_\_\_\_

**Commission File Number  
000-53354**

**CC MEDIA HOLDINGS, INC.**

(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)

26-0241222  
(I.R.S. Employer Identification No.)

200 East Basse Road  
San Antonio, Texas  
(Address of principal executive offices)

78209  
(Zip Code)

(210) 822-2828  
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.  
Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files)  
Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.  
Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  
Yes  No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

| Class                                  | Outstanding at October 26, 2012 |
|--|---------------------------------|
| -----                                  | -----                           |
| Class A common stock, \$.001 par value | 23,579,852 (1)                  |
| Class B common stock, \$.001 par value | 555,556                         |
| Class C common stock, \$.001 par value | 58,967,502                      |

(1) Outstanding Class A common stock includes 111,291 shares owned by a subsidiary

CC MEDIA HOLDINGS, INC.

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**PART I – FINANCIAL INFORMATION**

**ITEM 1. FINANCIAL STATEMENTS**

**CC MEDIA HOLDINGS, INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED BALANCE SHEETS**

(In thousands)

|  | September 30,<br>2012<br>(Unaudited) | December 31,<br>2011 |
|--|--------------------------------------|----------------------|
| <b>CURRENT ASSETS</b>                              |                                      |                      |
| Cash and cash equivalents                          | \$ 1,296,643                         | \$ 1,228,682         |
| Accounts receivable, net                           | 1,405,259                            | 1,399,135            |
| Other current assets                               | 365,508                              | 357,468              |
| <b>Total Current Assets</b>                        | <b>3,067,410</b>                     | <b>2,985,285</b>     |
| <b>PROPERTY, PLANT AND EQUIPMENT</b>               |                                      |                      |
| Structures, net                                    | 1,887,169                            | 1,950,437            |
| Other property, plant and equipment, net           | 1,119,282                            | 1,112,890            |
| <b>INTANGIBLE ASSETS AND GOODWILL</b>              |                                      |                      |
| Definite-lived intangibles, net                    | 1,811,676                            | 2,017,760            |
| Indefinite-lived intangibles                       | 3,519,970                            | 3,517,071            |
| Goodwill   | 4,195,856                            | 4,186,718            |
| <b>OTHER ASSETS</b>                                |                                      |                      |
| Other assets                                       | 800,956                              | 771,878              |
| <b>Total Assets</b>                                | <b>\$ 16,402,319</b>                 | <b>\$ 16,542,039</b> |
| <b>CURRENT LIABILITIES</b>                         |                                      |                      |
| Accounts payable and accrued expenses              | \$ 841,907                           | \$ 856,727           |
| Accrued interest                                   | 77,186                               | 160,361              |
| Current portion of long-term debt                  | 419,880                              | 268,638              |
| Deferred income                                    | 176,979                              | 143,236              |
| Other current liabilities                          | 102,154                              | -                    |
| <b>Total Current Liabilities</b>                   | <b>1,618,106</b>                     | <b>1,428,962</b>     |
| Long-term debt                                     | 20,317,926                           | 19,938,531           |
| Deferred income taxes                              | 1,815,032                            | 1,938,599            |
| Other long-term liabilities                        | 498,592                              | 707,888              |
| Commitments and contingent liabilities (Note 6)    |                                      |                      |
| <b>SHAREHOLDERS' DEFICIT</b>                       |                                      |                      |
| Noncontrolling interest                            | 307,171                              | 521,794              |
| Common stock                                       | 84                                   | 83                   |
| Additional paid-in capital                         | 2,135,265                            | 2,132,368            |
| Retained deficit                                   | (10,090,482)                         | (9,857,267)          |
| Accumulated other comprehensive loss               | (195,805)                            | (266,043)            |
| Cost of shares held in treasury                    | (3,570)                              | (2,876)              |
| <b>Total Shareholders' Deficit</b>                 | <b>(7,847,337)</b>                   | <b>(7,471,941)</b>   |
| <b>Total Liabilities and Shareholders' Deficit</b> | <b>\$ 16,402,319</b>                 | <b>\$ 16,542,039</b> |

See Notes to Consolidated Financial Statements

**CC MEDIA HOLDINGS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS**  
**(UNAUDITED)**

*(In thousands, except per share data)*

|   | Three Months Ended |              | Nine Months Ended |              |
|---|--------------------|--------------|-------------------|--------------|
|   | September 30,      |              | September 30,     |              |
|   | 2012               | 2011         | 2012              | 2011         |
| Revenue   | \$ 1,587,331       | \$ 1,583,352 | \$ 4,550,548      | \$ 4,508,564 |
| Operating expenses:   |                    |              |                   |              |
| Direct operating expenses (excludes depreciation and amortization)                    | 624,526            | 654,163      | 1,846,055         | 1,868,247    |
| Selling, general and administrative expenses (excludes depreciation and amortization) | 419,855            | 402,160      | 1,241,606         | 1,195,306    |
| Corporate expenses (excludes depreciation and amortization)                           | 70,811             | 54,247       | 211,167           | 163,080      |
| Depreciation and amortization   | 182,350            | 197,532      | 539,555           | 570,884      |
| Other operating income (expense) - net  | 42,118             | (6,490)      | 47,159            | 13,453       |
| Operating income  | 331,907            | 268,760      | 759,324           | 724,500      |
| Interest expense  | 388,210            | 369,233      | 1,148,093         | 1,097,849    |
| Equity in earnings of nonconsolidated affiliates                                      | 3,663              | 5,210        | 11,914            | 13,456       |
| Other income (expense) - net  | 824                | 7,307        | (16,846)          | 754          |
| Loss before income taxes  | (51,816)           | (87,956)     | (393,701)         | (359,139)    |
| Income tax benefit  | 13,232             | 20,665       | 179,293           | 122,510      |
| Consolidated net loss   | (38,584)           | (67,291)     | (214,408)         | (236,629)    |
| Less amount attributable to noncontrolling interest                                   | 11,977             | 6,765        | 18,807            | 22,438       |
| Net loss attributable to the Company  | \$ (50,561)        | \$ (74,056)  | \$ (233,215)      | \$ (259,067) |
| Other comprehensive income, net of tax:   |                    |              |                   |              |
| Foreign currency translation adjustments  | 21,219             | (101,951)    | 17,928            | (26,079)     |
| Unrealized gain on securities and derivatives:  |                    |              |                   |              |
| Unrealized holding gain (loss) on marketable securities                               | 16,668             | (21,298)     | 17,399            | (7,289)      |
| Unrealized holding gain on cash flow derivatives                                      | 11,808             | 10,848       | 36,322            | 22,791       |
| Reclassification adjustment   | (688)              | 86           | (534)             | 234          |
| Other comprehensive income (loss)   | 49,007             | (112,315)    | 71,115            | (10,343)     |
| Comprehensive loss  | (1,554)            | (186,371)    | (162,100)         | (269,410)    |
| Less amount attributable to noncontrolling interest                                   | 2,960              | (11,699)     | 877               | 1,434        |
| Comprehensive loss attributable to the Company  | \$ (4,514)         | \$ (174,672) | \$ (162,977)      | \$ (270,844) |
| Net loss attributable to the Company per common share:                                |                    |              |                   |              |
| Basic   | \$ (0.61)          | \$ (0.91)    | \$ (2.92)         | \$ (3.17)    |
| Weighted average common shares outstanding – Basic                                    | 82,765             | 82,654       | 82,654            | 82,431       |
| Diluted   | \$ (0.61)          | \$ (0.91)    | \$ (2.92)         | \$ (3.17)    |
| Weighted average common shares outstanding – Diluted                                  | 82,765             | 82,654       | 82,654            | 82,431       |

See Notes to Consolidated Financial Statements

**CC MEDIA HOLDINGS, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(UNAUDITED)**

(In thousands)

|  | Nine Months Ended September 30, |                     |
|--|---------------------------------|---------------------|
|  | 2012                            | 2011                |
| <b>Cash flows from operating activities:</b>   |                                 |                     |
| Consolidated net loss  | \$ (214,408)                    | \$ (236,629)        |
| <b>Reconciling items:</b>  |                                 |                     |
| Depreciation and amortization  | 539,555                         | 570,884             |
| Deferred taxes   | (157,962)                       | (122,886)           |
| Gain on disposal of operating assets   | (47,159)                        | (13,453)            |
| Loss on extinguishment of debt   | 15,167                          | 1,447               |
| Provision for doubtful accounts  | 11,009                          | 13,300              |
| Share-based compensation   | 20,090                          | 14,281              |
| Equity in earnings of nonconsolidated affiliates   | (11,914)                        | (13,456)            |
| Amortization of deferred financing charges and note discounts, net                                 | 124,262                         | 143,519             |
| Other reconciling items – net  | 19,913                          | 7,449               |
| Changes in operating assets and liabilities:   |                                 |                     |
| (Increase) decrease in accounts receivable   | (24,803)                        | 16,591              |
| Increase in deferred income  | 37,945                          | 34,178              |
| Decrease in accrued expenses   | (14,954)                        | (106,910)           |
| Decrease in accounts payable and other liabilities   | (45,609)                        | (47,549)            |
| Decrease in accrued interest   | (83,180)                        | (66,242)            |
| Changes in other operating assets and liabilities, net of effects of acquisitions and dispositions | (11,781)                        | (73,142)            |
| Net cash provided by operating activities  | <u>156,171</u>                  | <u>121,382</u>      |
| <b>Cash flows from investing activities:</b>   |                                 |                     |
| Purchases of property, plant and equipment   | (260,481)                       | (218,136)           |
| Purchases of other operating assets  | (33,738)                        | (48,234)            |
| Proceeds from disposal of assets   | 58,915                          | 52,389              |
| Change in other – net  | (9,832)                         | 1,716               |
| Net cash used for investing activities   | <u>(245,136)</u>                | <u>(212,265)</u>    |
| <b>Cash flows from financing activities:</b>   |                                 |                     |
| Draws on credit facilities   | 604,563                         | 55,000              |
| Payments on credit facilities  | (1,919,973)                     | (959,383)           |
| Proceeds from long-term debt   | 2,200,000                       | 1,727,813           |
| Payments on long-term debt   | (438,422)                       | (1,370,265)         |
| Dividends paid   | (244,734)                       | -                   |
| Deferred financing charges   | (40,002)                        | (46,597)            |
| Repurchases of long-term debt  | -                               | (55,250)            |
| Change in other – net  | (4,506)                         | (15,980)            |
| Net cash provided by (used for) financing activities   | <u>156,926</u>                  | <u>(664,662)</u>    |
| Net increase (decrease) in cash and cash equivalents   | 67,961                          | (755,545)           |
| Cash and cash equivalents at beginning of period   | <u>1,228,682</u>                | <u>1,920,926</u>    |
| Cash and cash equivalents at end of period   | <u>\$ 1,296,643</u>             | <u>\$ 1,165,381</u> |

See Notes to Consolidated Financial Statements

**CC MEDIA HOLDINGS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(UNAUDITED)**

**NOTE 1 – BASIS OF PRESENTATION**

**Preparation of Interim Financial Statements**

The accompanying consolidated financial statements were prepared by CC Media Holdings, Inc. (the “Company”) pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”) and, in the opinion of management, include all normal and recurring adjustments necessary to present fairly the results of the interim periods shown. Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. generally accepted accounting principles (“GAAP”) have been condensed or omitted pursuant to such SEC rules and regulations. Management believes that the disclosures made are adequate to make the information presented not misleading. Due to seasonality and other factors, the results for the interim periods are not necessarily indicative of results for the full year. The financial statements contained herein should be read in conjunction with the consolidated financial statements and notes thereto included in the Company’s 2011 Annual Report on Form 10-K, Quarterly Report on Form 10-Q for the period ended March 31, 2012 and Quarterly Reports on Form 10-Q and Form 10-Q/A for the period ended June 30, 2012.

The consolidated financial statements include the accounts of the Company and its subsidiaries. Also included in the consolidated financial statements are entities for which the Company has a controlling financial interest or is the primary beneficiary. Investments in companies in which the Company owns 20 percent to 50 percent of the voting common stock or otherwise exercises significant influence over operating and financial policies of the Company are accounted for under the equity method. All significant intercompany transactions are eliminated in the consolidation process. Certain prior-period amounts have been reclassified to conform to the 2012 presentation.

During the first quarter of 2012, and in connection with the appointment of the new chief executive officer of the Company’s indirect subsidiary, Clear Channel Outdoor Holdings, Inc. (“CCOH”), the Company reevaluated its segment reporting and determined that its Latin American operations were more appropriately aligned with the operations of its International outdoor advertising segment. As a result, the operations of Latin America are no longer reflected within the Company’s Americas outdoor advertising segment and are currently included in the results of its International outdoor advertising segment. Accordingly, the Company has recast the corresponding segment disclosures for prior periods.

**NOTE 2 – PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND GOODWILL**

**Property, Plant and Equipment**

The Company’s property, plant and equipment consisted of the following classes of assets at September 30, 2012 and December 31, 2011, respectively.

| <i>(In thousands)</i>                     | September 30,<br>2012 | December 31,<br>2011 |
|---|-----------------------|----------------------|
| Land, buildings and improvements          | \$ 673,524            | \$ 657,346           |
| Structures                                | 2,882,291             | 2,783,434            |
| Towers, transmitters and studio equipment | 419,157               | 400,832              |
| Furniture and other equipment             | 398,522               | 365,137              |
| Construction in progress                  | 101,800               | 68,658               |
|   | <u>4,475,294</u>      | <u>4,275,407</u>     |
| Less: accumulated depreciation            | 1,468,843             | 1,212,080            |
| Property, plant and equipment, net        | <u>\$ 3,006,451</u>   | <u>\$ 3,063,327</u>  |

**Definite-lived Intangible Assets**

The Company has definite-lived intangible assets which consist primarily of transit and street furniture contracts, talent and representation contracts and customer and advertiser relationships, all of which are amortized over the respective lives of the agreements, or over the period of time the assets are expected to contribute directly or indirectly to the Company’s future cash flows. The Company periodically reviews the appropriateness of the amortization periods related to its definite-lived intangible assets. These assets are recorded at cost.

**CC MEDIA HOLDINGS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**(UNAUDITED)**

The following table presents the gross carrying amount and accumulated amortization for each major class of definite-lived intangible assets at September 30, 2012 and December 31, 2011, respectively:

*(In thousands)*

|  | September 30, 2012    |                          | December 31, 2011     |                          |
|--|-----------------------|--------------------------|-----------------------|--------------------------|
|  | Gross Carrying Amount | Accumulated Amortization | Gross Carrying Amount | Accumulated Amortization |
| Transit, street furniture and other outdoor contractual rights | \$ 778,942            | \$ (381,466)             | \$ 773,238            | \$ (329,563)             |
| Customer / advertiser relationships                            | 1,210,245             | (496,416)                | 1,210,269             | (409,794)                |
| Talent contracts   | 344,255               | (167,362)                | 347,489               | (139,154)                |
| Representation contracts                                       | 243,993               | (162,805)                | 237,451               | (137,058)                |
| Other  | 561,217               | (118,927)                | 560,978               | (96,096)                 |
| Total  | \$ 3,138,652          | \$ (1,326,976)           | \$ 3,129,425          | \$ (1,111,665)           |

Total amortization expense related to definite-lived intangible assets was \$74.3 million and \$87.8 million for the three months ended September 30, 2012 and 2011, respectively, and \$225.8 million and \$247.3 million for the nine months ended September 30, 2012 and 2011, respectively.

The following table presents the Company's estimate of amortization expense for each of the five succeeding fiscal years for definite-lived intangible assets:

*(In thousands)*

|      |            |
|------|------------|
| 2013 | \$ 283,385 |
| 2014 | 263,561    |
| 2015 | 237,200    |
| 2016 | 222,531    |
| 2017 | 196,689    |

**Indefinite-lived Intangible Assets**

The Company's indefinite-lived intangible assets consist of Federal Communications Commission ("FCC") broadcast licenses in its Media and Entertainment ("CCME") segment and billboard permits in its Americas outdoor advertising segment. Due to significant differences in both business practices and regulations, billboards in the International outdoor advertising segment are subject to long-term, finite contracts unlike the Company's permits in the United States and Canada. Accordingly, there are no indefinite-lived assets in the International outdoor advertising segment. The Company's indefinite-lived intangible assets are as follows:

*(In thousands)*

|  | September 30, | December 31, |
|--|---------------|--------------|
|  | 2012          | 2011         |
| FCC broadcast licenses                   | \$ 2,413,171  | \$ 2,411,367 |
| Billboard permits                        | 1,106,799     | 1,105,704    |
| Total indefinite-lived intangible assets | \$ 3,519,970  | \$ 3,517,071 |

**CC MEDIA HOLDINGS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**(UNAUDITED)**

**Goodwill**

The following table presents the changes in the carrying amount of goodwill in each of the Company's reportable segments.

*(In thousands)*

|                                  | CCME                | Americas<br>Outdoor<br>Advertising | International<br>Outdoor<br>Advertising | Other             | Consolidated        |
|----------------------------------|---------------------|------------------------------------|---|-------------------|---------------------|
| Balance as of December 31, 2010  | \$ 3,140,198        | \$ 571,932                         | \$ 290,310                              | \$ 116,886        | \$ 4,119,326        |
| Impairment                       | -                   | -                                  | (1,146)                                 | -                 | (1,146)             |
| Acquisitions                     | 82,844              | -                                  | 2,995                                   | 212               | 86,051              |
| Dispositions                     | (10,542)            | -                                  | -                                       | -                 | (10,542)            |
| Foreign currency                 | -                   | -                                  | (6,898)                                 | -                 | (6,898)             |
| Other                            | (73)                | -                                  | -                                       | -                 | (73)                |
| Balance as of December 31, 2011  | \$ 3,212,427        | \$ 571,932                         | \$ 285,261                              | \$ 117,098        | \$ 4,186,718        |
| Acquisitions                     | 10,226              | -                                  | -                                       | 51                | 10,277              |
| Dispositions                     | (489)               | -                                  | (2,729)                                 | -                 | (3,218)             |
| Foreign currency                 | -                   | -                                  | 2,159                                   | -                 | 2,159               |
| Other                            | (80)                | -                                  | -                                       | -                 | (80)                |
| Balance as of September 30, 2012 | \$ <u>3,222,084</u> | \$ <u>571,932</u>                  | \$ <u>284,691</u>                       | \$ <u>117,149</u> | \$ <u>4,195,856</u> |

**NOTE 3 – LONG-TERM DEBT**

Long-term debt at September 30, 2012 and December 31, 2011, respectively, consisted of the following:

*(In thousands)*

|   | September 30,<br>2012       | December 31,<br>2011        |
|---|-----------------------------|-----------------------------|
| <b>Senior Secured Credit Facilities:</b>                    |                             |                             |
| Term Loan Facilities (1)                                    | \$ 10,328,873               | \$ 10,493,847               |
| Revolving Credit Facility Due 2014                          | 10,000                      | 1,325,550                   |
| Delayed Draw Term Loan Facilities Due 2016                  | 961,407                     | 976,776                     |
| Receivables Based Facility Due 2014                         | -                           | -                           |
| Priority Guarantee Notes Due 2021                           | 1,750,000                   | 1,750,000                   |
| Other Secured Subsidiary Long-term Debt                     | 26,643                      | 30,976                      |
| <b>Total Consolidated Secured Debt</b>                      | <b>13,076,923</b>           | <b>14,577,149</b>           |
| Senior Cash Pay Notes Due 2016                              | 796,250                     | 796,250                     |
| Senior Toggle Notes Due 2016                                | 829,831                     | 829,831                     |
| Clear Channel Senior Notes (2)                              | 1,748,564                   | 1,998,415                   |
| Subsidiary Senior Notes Due 2017                            | 2,500,000                   | 2,500,000                   |
| Subsidiary Senior Subordinated Notes Due 2020               | 2,200,000                   | -                           |
| Other Subsidiary Debt                                       | 15,858                      | 19,860                      |
| Purchase accounting adjustments and original issue discount | (429,620)                   | (514,336)                   |
|   | <u>20,737,806</u>           | <u>20,207,169</u>           |
| Less: current portion                                       | 419,880                     | 268,638                     |
| <b>Total long-term debt</b>                                 | <b>\$ <u>20,317,926</u></b> | <b>\$ <u>19,938,531</u></b> |

- (1) Term Loan Facilities mature at various dates from 2014 through 2016.
- (2) Clear Channel's Senior Notes mature at various dates from 2013 through 2027.



**CC MEDIA HOLDINGS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**(UNAUDITED)**

The Company's weighted average interest rates at September 30, 2012 and December 31, 2011 were 6.5% and 6.2%, respectively. The aggregate market value of the Company's debt based on market prices for which quotes were available was approximately \$18.1 billion and \$16.2 billion at September 30, 2012 and December 31, 2011, respectively.

**Subsidiary Senior Subordinated Notes Issuance**

During the first quarter of 2012, the Company's indirect subsidiary, Clear Channel Worldwide Holdings, Inc. ("CCWH") issued \$275.0 million aggregate principal amount of 7.625% Series A Senior Subordinated Notes due 2020 and \$1,925.0 million aggregate principal amount of 7.625% Series B Senior Subordinated Notes due 2020 (collectively, the "Subordinated Notes"). Interest on the Subordinated Notes is payable to the trustee weekly in arrears and to the noteholders on March 15 and September 15 of each year, beginning on September 15, 2012.

The Subordinated Notes are CCWH's senior subordinated obligations and are fully and unconditionally guaranteed, jointly and severally, on a senior subordinated basis by CCOH, its wholly-owned subsidiary Clear Channel Outdoor, Inc. ("CCOI"), and certain of CCOH's other domestic subsidiaries (collectively, the "Guarantors"). The Subordinated Notes are unsecured senior subordinated obligations that rank junior to all of CCWH's existing and future senior debt, including CCWH's outstanding senior notes, equally with any of CCWH's existing and future senior subordinated debt and ahead of all of CCWH's existing and future debt that expressly provides that it is subordinated to the Subordinated Notes. The guarantees of the Subordinated Notes rank junior to each Guarantor's existing and future senior debt, including CCWH's outstanding senior notes, equally with each Guarantor's existing and future senior subordinated debt and ahead of each Guarantor's existing and future debt that expressly provides that it is subordinated to the guarantees of the Subordinated Notes.

The Company capitalized \$40.0 million in fees and expenses associated with the Subordinated Notes offering and is amortizing them through interest expense over the life of the Subordinated Notes.

With the proceeds of the Subordinated Notes (net of the initial purchasers' discount of \$33.0 million), CCWH loaned an aggregate amount equal to \$2,167.0 million to CCOI. CCOI paid all other fees and expenses of the offering using cash on hand and, with the proceeds of the loans, made a special cash dividend to CCOH, which in turn made a special cash dividend on March 15, 2012 in an amount equal to \$6.0832 per share to its Class A and Class B stockholders of record at the close of business on March 12, 2012, including Clear Channel Holdings, Inc. ("CC Holdings") and CC Finco, LLC ("CC Finco"), both wholly-owned subsidiaries of the Company. Of the \$2,170.4 million special cash dividend paid by CCOH, an aggregate of \$1,925.7 million was distributed to CC Holdings and CC Finco, with the remaining \$244.7 million distributed to other stockholders. As a result, the Company recorded a reduction of \$244.7 million in "Noncontrolling interest" on the consolidated balance sheet.

**2011 Clear Channel Refinancing Transactions**

In February 2011, Clear Channel Communications, Inc. ("Clear Channel"), an indirect subsidiary of the Company, amended its senior secured credit facilities and its receivables based facility and issued \$1,000 million aggregate principal amount of 9.0% Priority Guarantee Notes due 2021 (the "Initial Notes"). In June 2011, Clear Channel issued an additional \$750.0 million in aggregate principal amount of its 9.0% Priority Guarantee Notes due 2021 (the "Additional Notes") at an issue price of 93.845% of the principal amount. The Initial Notes and the Additional Notes have identical terms and are treated as a single class.

The Company capitalized \$39.5 million in fees and expenses associated with the Initial Notes offering and is amortizing them through interest expense over the life of the Initial Notes. The Company capitalized an additional \$7.1 million in fees and expenses associated with the offering of the Additional Notes and is amortizing them through interest expense over the life of the Additional Notes.

Clear Channel used the proceeds of the Initial Notes offering to prepay \$500.0 million of the indebtedness outstanding under its senior secured credit facilities. The \$500.0 million prepayment was allocated on a ratable basis between outstanding term loans and revolving credit commitments under Clear Channel's revolving credit facility.

Clear Channel obtained, concurrent with the offering of the Initial Notes, amendments to its credit agreements with respect to its senior secured credit facilities and its receivables based facility (revolving credit commitments under the receivables based facility were reduced from \$783.5 million to \$625.0 million), which were required as a condition to complete the offering. The amendments, among other things, permit Clear Channel to request future extensions of the maturities of its senior secured credit facilities, provide Clear Channel with greater flexibility in the use of its accordion capacity, provide Clear Channel with greater flexibility to incur new debt, provided that the proceeds from such new debt are used to pay down senior secured credit facility indebtedness, and provide

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greater flexibility for CCOH and its subsidiaries to incur new debt, provided that the net proceeds distributed to Clear Channel from the issuance of such new debt are used to pay down senior secured credit facility indebtedness.

Of the \$703.8 million of proceeds from the issuance of the Additional Notes (\$750.0 million aggregate principal amount net of \$46.2 million of discount), Clear Channel used \$500 million for general corporate purposes (to replenish cash on hand that Clear Channel previously used to pay senior notes at maturity on March 15, 2011 and May 15, 2011) and used the remaining \$203.8 million to repay at maturity a portion of Clear Channel's 5% senior notes that matured in March 2012.

**Debt Repayments, Maturities and Other**

In connection with the issuance of the Subordinated Notes, CCOH paid a special cash dividend equal to \$2,170.4 million to its Class A and Class B stockholders, consisting of \$1,925.7 million distributed to CC Holdings and CC Finco and \$244.7 million distributed to other stockholders. In connection with the Subordinated Notes issuance and the dividend paid by CCOH during the first quarter of 2012, Clear Channel repaid indebtedness under its senior secured credit facilities in an amount equal to the aggregate amount of dividend proceeds distributed to CC Holdings and CC Finco, or \$1,925.7 million. Of this amount, a prepayment of \$1,918.1 million was applied to indebtedness outstanding under Clear Channel's revolving credit facility, thus permanently reducing the revolving credit commitments under Clear Channel's revolving credit facility to \$10.0 million. The remaining \$7.6 million prepayment was allocated on a pro rata basis to Clear Channel's term loan facilities.

In addition, on March 15, 2012, using cash on hand, Clear Channel made voluntary prepayments under its senior secured credit facilities in an aggregate amount equal to \$170.5 million, as follows: (i) \$16.2 million under its term loan A due 2014, (ii) \$129.8 million under its term loan B due 2016, (iii) \$10.0 million under its term loan C due 2016 and (iv) \$14.5 million under its delayed draw term loans due 2016. In connection with the prepayments on Clear Channel's senior secured credit facilities, the Company recorded a loss of \$15.2 million in "Other expense" related to the accelerated expensing of loan fees.

During the first quarter of 2012, Clear Channel repaid its 5.0% senior notes at maturity for \$249.9 million (net of \$50.1 million principal amount repaid to a subsidiary of Clear Channel with respect to notes repurchased and held by such entity), plus accrued interest, using a portion of the proceeds from the 2011 offering of the Additional Notes, along with cash on hand.

During the nine months ended September 30, 2011, Clear Channel repaid its 6.25% senior notes at maturity for \$692.7 million (net of \$57.3 million principal amount repaid to a subsidiary of Clear Channel with respect to notes repurchased and held by such entity), plus accrued interest, using a portion of the proceeds from the 2011 offering of the Initial Notes, along with available cash on hand. Clear Channel also repaid its 4.4% senior notes at maturity for \$140.2 million (net of \$109.8 million principal amount repaid to a subsidiary of Clear Channel with respect to notes repurchased and held by such entity), plus accrued interest, with available cash on hand. Prior to, and in connection with the Additional Notes offering, Clear Channel repaid all amounts outstanding under its receivables based credit facility on June 8, 2011, using cash on hand. This voluntary repayment did not reduce the commitments under this facility and Clear Channel may reborrow amounts under this facility at any time. In addition, on June 27, 2011, Clear Channel made a voluntary payment of \$500.0 million on its revolving credit facility.

During the third quarter of 2011, CC Finco repurchased \$80.0 million aggregate principal amount of Clear Channel's outstanding 5.5% senior notes due 2014 for \$57.1 million, including accrued interest, through open market purchases. Notes repurchased by CC Finco are eliminated in consolidation.

**NOTE 4 – SUPPLEMENTAL DISCLOSURES**

**Divestiture Trusts**

The Company owns certain radio stations which, under current FCC rules, are not permitted to be owned or transferred to another Clear Channel entity. These radio stations were placed in a trust in order to comply with FCC rules at the time of the closing of the merger that resulted in the Company's acquisition of Clear Channel. The Company is the beneficial owner of the trust, but the radio stations are managed by an independent trustee. The Company will have to divest all of these radio stations unless any stations may be owned by the Company under then-current FCC rules, in which case the trust will be terminated with respect to such stations. The trust agreement stipulates that the Company must fund any operating shortfalls of the trust activities, and any excess cash flow generated by the trust is distributed to the Company. The Company is also the beneficiary of proceeds from the sale of stations held in the trust. The Company consolidates the trust in accordance with ASC 810-10, which requires an enterprise involved with variable interest entities to perform an analysis to determine whether the enterprise's variable interest or interests give it a controlling financial

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interest in the variable interest entity, as the trust was determined to be a variable interest entity and the Company is its primary beneficiary.

**Income Tax Benefit**

The Company's income tax benefit for the three and nine months ended September 30, 2012 and 2011, respectively, consisted of the following components:

(In thousands)

|                               | Three Months Ended |             | Nine Months Ended |            |
|-------------------------------|--------------------|-------------|-------------------|------------|
|                               | September 30,      |             | September 30,     |            |
|                               | 2012               | 2011        | 2012              | 2011       |
| Current tax benefit (expense) | \$ (21,148)        | \$ (11,326) | \$ 21,331         | \$ (376)   |
| Deferred tax benefit          | 34,380             | 31,991      | 157,962           | 122,886    |
| Income tax benefit            | \$ 13,232          | \$ 20,665   | \$ 179,293        | \$ 122,510 |

The effective tax rate for the three and nine months ended September 30, 2012 was 25.5% and 45.5%, respectively. The effective tax rate for the three months ended September 30, 2012 was primarily impacted by additional tax expense recorded related to uncertain tax positions, the effects of which were partially offset by reduced non-U.S. tax rates of financial reporting gains resulting from the disposition of certain foreign subsidiaries. The effective tax rate for the nine months ended September 30, 2012 was primarily impacted by the completion of income tax examinations in various jurisdictions during the period which resulted in a reduction to income tax expense of approximately \$61.0 million.

The effective tax rate for the three and nine months ended September 30, 2011 was 23.5% and 34.1%, respectively. The effective tax rate for the three months ended September 30, 2011 was primarily impacted by increases in tax expense attributable to the write-off of deferred tax assets in excess of the tax benefits realized upon the vesting of certain equity awards, an increase in unrecognized tax benefits and the Company's inability to record the benefit of losses in certain foreign jurisdictions. The effective tax rate for the nine months ended September 30, 2011 was primarily impacted by the Company's settlement of U.S. federal and state tax examinations during the period. Pursuant to the settlements, the Company recorded a reduction to income tax expense of approximately \$10.6 million to reflect the net tax benefits of the settlements. In addition, the effective rate for the nine months ended September 30, 2011 was impacted by the Company's ability to benefit from certain tax loss carryforwards in foreign jurisdictions due to increased taxable income during 2011, where the losses previously did not provide a benefit.

During the nine months ended September 30, 2012 and 2011, cash paid for interest and income taxes, net of income tax refunds of \$4.1 million and \$7.3 million, respectively, was as follows:

(In thousands)

|              | Nine Months Ended September 30, |              |
|--------------|---------------------------------|--------------|
|              | 2012                            | 2011         |
| Interest     | \$ 1,110,139                    | \$ 1,028,973 |
| Income taxes | 44,989                          | 77,548       |

**NOTE 5 – FAIR VALUE MEASUREMENTS**

The Company's marketable equity securities and interest rate swap are measured at fair value on each reporting date.

**Marketable Equity Securities**

The marketable equity securities are measured at fair value using quoted prices in active markets. Due to the fact that the inputs used to measure the marketable equity securities at fair value are observable, the Company has categorized the fair value measurements of the securities as Level 1 in accordance with ASC 820-10-35.

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The cost, unrealized holding gains or losses, and fair value of the Company's investments at September 30, 2012 and December 31, 2011 are as follows:

| <i>(In thousands)</i>   | September 30,<br>2012 | December 31,<br>2011 |
|-------------------------|-----------------------|----------------------|
| Cost                    | \$ 7,786              | \$ 7,786             |
| Gross unrealized losses | (1,087)               | -                    |
| Gross unrealized gains  | 94,727                | 65,214               |
| Fair value              | <u>\$ 101,426</u>     | <u>\$ 73,000</u>     |

**Interest Rate Swap Agreement**

The Company's \$2.5 billion notional amount interest rate swap agreement is designated as a cash flow hedge and the effective portion of the gain or loss on the swap is reported as a component of other comprehensive income (loss). Ineffective portions of a cash flow hedging derivative's change in fair value are recognized currently in earnings. In accordance with ASC 815-20-35-9, as the critical terms of the swap and the floating-rate debt being hedged were the same at inception and remained the same during the current period, no ineffectiveness was recorded in earnings for the three and nine months ended September 30, 2012.

The Company entered into the swap to effectively convert a portion of its floating-rate debt to a fixed basis, thus reducing the impact of interest rate changes on future interest expense. The interest rate swap agreement matures in September 2013.

The swap agreement is valued using a discounted cash flow model that takes into account the present value of the future cash flows under the terms of the agreement by using market information available as of the reporting date, including prevailing interest rates and credit spread. Due to the fact that the inputs are either directly or indirectly observable, the Company classified the fair value measurements of its swap agreement as Level 2 in accordance with ASC 820-10-35.

The Company continually monitors its positions with, and credit quality of, the financial institution which is counterparty to its interest rate swap. The Company may be exposed to credit loss in the event of nonperformance by the counterparty to the interest rate swap. However, the Company considers this risk to be low. If a derivative instrument no longer qualifies as a cash flow hedge, hedge accounting is discontinued and the gain or loss that was recorded in other comprehensive income is recognized in earnings.

The fair value of the Company's \$2.5 billion notional amount interest rate swap designated as a hedging instrument and recorded in "Other current liabilities" was \$102.2 million at September 30, 2012. The fair value of the notional amount interest rate swap was \$159.1 million at December 31, 2011 and recorded in "Other long-term liabilities".

The following table details the beginning and ending accumulated other comprehensive loss and the current period activity related to the interest rate swap agreement:

| <i>(In thousands)</i>         | Accumulated other<br>comprehensive loss |
|-------------------------------|---|
| Balance at December 31, 2011  | \$ 100,292                              |
| Other comprehensive income    | (36,322)                                |
| Balance at September 30, 2012 | <u>\$ 63,970</u>                        |

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**Other Comprehensive Income (Loss)**

The following table discloses the amount of income tax (asset) liability allocated to each component of other comprehensive income (loss) for the three and nine months ended September 30, 2012 and 2011, respectively:

*(In thousands)*

|   | Three Months Ended |           | Nine Months Ended |            |
|---|--------------------|-----------|-------------------|------------|
|   | September 30,      |           | September 30,     |            |
|   | 2012               | 2011      | 2012              | 2011       |
| Foreign currency translation adjustments                | \$ (1,659)         | \$ 8,603  | \$ (3,009)        | \$ 2,796   |
| Unrealized holding gain (loss) on marketable securities | (10,599)           | 9,738     | (11,028)          | 1,773      |
| Unrealized holding loss on cash flow derivatives        | (7,048)            | (6,474)   | (20,648)          | (13,602)   |
| Total income tax benefit (expense)                      | \$ (19,306)        | \$ 11,867 | \$ (34,685)       | \$ (9,033) |

**NOTE 6 – COMMITMENTS, CONTINGENCIES AND GUARANTEES**

The Company and its subsidiaries are involved in certain legal proceedings arising in the ordinary course of business and, as required, have accrued an estimate of the probable costs for the resolution of those claims for which the occurrence of loss is probable and the amount can be reasonably estimated. These estimates have been developed in consultation with counsel and are based upon an analysis of potential results, assuming a combination of litigation and settlement strategies. It is possible, however, that future results of operations for any particular period could be materially affected by changes in the Company's assumptions or the effectiveness of the Company's strategies related to these proceedings. Additionally, due to the inherent uncertainty of litigation, there can be no assurance that the resolution of any particular claim or proceeding would not have a material adverse effect on the Company's financial condition or results of operations.

Although the Company is involved in a variety of legal proceedings in the ordinary course of business, a large portion of the Company's litigation arises in the following contexts: commercial disputes; defamation matters; employment and benefits related claims; governmental fines; intellectual property claims; and tax disputes.

**Brazil Litigation**

On or about July 12, 2006 and April 12, 2007, two of the Company's operating businesses (L&C Outdoor Ltda. ("L&C") and Publicidad Klimes São Paulo Ltda. ("Klimes"), respectively) in the São Paulo, Brazil market received notices of infraction from the state taxing authority, seeking to impose a value added tax ("VAT") on such businesses, retroactively for the period from December 31, 2001 through January 31, 2006. The taxing authority contends that these businesses fall within the definition of "communication services" and as such are subject to the VAT. L&C and Klimes filed separate petitions to challenge the imposition of this tax.

On August 8, 2011, Brazil's National Council of Fiscal Policy (CONFAZ) published a convenio authorizing sixteen states, including the State of São Paulo, to issue an amnesty that would reduce the principal amount of VAT allegedly owed and reduce or waive related interest and penalties. The State of São Paulo ratified the amnesty in late August 2011. On May 10, 2012, the State of São Paulo published an amnesty decree that mirrors the convenio. Klimes and L&C accepted the amnesty on May 24, 2012 by making the aggregate required payment of \$10.9 million. On that same day, Klimes and L&C filed petitions to discontinue the tax litigation based on the amnesty payments.

**Guarantees**

As of September 30, 2012, Clear Channel had outstanding surety bonds and commercial standby letters of credit of \$47.6 million and \$141.3 million, respectively, of which \$69.0 million of letters of credit were cash secured. Letters of credit in the amount of \$9.1 million are collateral in support of surety bonds and these amounts would only be drawn under the letter of credit in the event the associated surety bonds were funded and Clear Channel did not honor its reimbursement obligation to the issuers. These letters of credit and surety bonds relate to various operational matters including insurance, bid, and performance bonds as well as other items.

As of September 30, 2012, Clear Channel had outstanding bank guarantees of \$51.4 million related to international subsidiaries, of which \$4.6 million were backed by cash collateral.

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**NOTE 7 – CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS**

Clear Channel is a party to a management agreement with certain affiliates of Bain Capital Partners, LLC and Thomas H. Lee Partners, L.P. (together, the “Sponsors”) and certain other parties pursuant to which such affiliates of the Sponsors will provide management and financial advisory services until 2018. These agreements require management fees to be paid to such affiliates of the Sponsors for such services at a rate not greater than \$15.0 million per year, plus reimbursable expenses. For the three months ended September 30, 2012 and 2011, the Company recognized management fees and reimbursable expenses of \$3.9 million and \$3.8 million, respectively. For the nine months ended September 30, 2012 and 2011, the Company recognized management fees and reimbursable expenses of \$11.9 million and \$11.8 million, respectively.

**NOTE 8 – EQUITY AND COMPREHENSIVE INCOME (LOSS)**

The Company reports its noncontrolling interests in consolidated subsidiaries as a component of equity separate from the Company’s equity. The following table shows the changes in equity attributable to the Company and the noncontrolling interests of subsidiaries in which the Company has a majority, but not total ownership interest:

*(In thousands)*

|   | The Company           | Noncontrolling<br>Interests | Consolidated          |
|---|-----------------------|-----------------------------|-----------------------|
| Balances at January 1, 2012                             | \$ (7,993,735)        | \$ 521,794                  | \$ (7,471,941)        |
| Net income (loss)                                       | (233,215)             | 18,807                      | (214,408)             |
| Dividend  | -                     | (244,734)                   | (244,734)             |
| Foreign currency translation adjustments                | 16,867                | 1,061                       | 17,928                |
| Unrealized holding gain (loss) on marketable securities | 17,522                | (123)                       | 17,399                |
| Unrealized holding gain on cash flow derivatives        | 36,322                | -                           | 36,322                |
| Reclassification adjustment                             | (473)                 | (61)                        | (534)                 |
| Other - net   | 2,204                 | 10,427                      | 12,631                |
| Balances at September 30, 2012                          | <u>\$ (8,154,508)</u> | <u>\$ 307,171</u>           | <u>\$ (7,847,337)</u> |
| Balances at January 1, 2011                             | \$ (7,695,606)        | \$ 490,920                  | \$ (7,204,686)        |
| Net income (loss)                                       | (259,067)             | 22,438                      | (236,629)             |
| Foreign currency translation adjustments                | (27,810)              | 1,731                       | (26,079)              |
| Unrealized holding loss on marketable securities        | (6,776)               | (513)                       | (7,289)               |
| Unrealized holding gain on cash flow derivatives        | 22,791                | -                           | 22,791                |
| Reclassification adjustment                             | 18                    | 216                         | 234                   |
| Other - net   | (940)                 | (3,429)                     | (4,369)               |
| Balances at September 30, 2011                          | <u>\$ (7,967,390)</u> | <u>\$ 511,363</u>           | <u>\$ (7,456,027)</u> |

The Company completed a voluntary stock option exchange program on March 21, 2011 and exchanged 2.5 million stock options granted under the Clear Channel 2008 Executive Incentive Plan for 1.3 million replacement stock options with a lower exercise price and different service and performance vesting conditions. The Company accounted for the exchange program as a modification of the existing awards under ASC 718 and will recognize incremental compensation expense of approximately \$1.0 million over the service period of the new awards.

**NOTE 9 – SEGMENT DATA**

The Company’s reportable segments, which it believes best reflect how the Company is currently managed, are CCME, Americas outdoor advertising and International outdoor advertising. Revenue and expenses earned and charged between segments are recorded at estimated fair value and eliminated in consolidation. The CCME segment provides media and entertainment services via broadcast and digital delivery and also includes the Company’s national syndication business. The Americas outdoor advertising segment consists of operations primarily in the United States and Canada. The International outdoor advertising segment primarily includes operations in Europe, Asia and Latin America. The Americas outdoor and International outdoor display inventory consists primarily of billboards, street furniture displays and transit displays. The Other category includes the Company’s media representation business as well as other general support services and initiatives which are ancillary to the Company’s other businesses. Corporate includes

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infrastructure and support, including information technology, human resources, legal, finance and administrative functions of each of the Company's operating segments, as well as overall executive, administrative and support functions. Share-based payments are recorded by each segment in direct operating and selling, general and administrative expenses.

During the first quarter of 2012, the Company recast its segment reporting, as discussed in Note 1. The following table presents the Company's reportable segment results for the three and nine months ended September 30, 2012 and 2011.

| <i>(In thousands)</i>                        | CCME              | Americas<br>Outdoor<br>Advertising | International<br>Outdoor<br>Advertising | Other            | Corporate<br>and other<br>reconciling<br>items | Eliminations | Consolidated      |
|--|-------------------|------------------------------------|---|------------------|--|--------------|-------------------|
| <b>Three Months Ended September 30, 2012</b> |                   |                                    |   |                  |  |              |                   |
| Revenue                                      | \$ 798,759        | \$ 335,021                         | \$ 396,120                              | \$ 76,067        | \$ -   | \$ (18,636)  | \$ 1,587,331      |
| Direct operating expenses                    | 229,843           | 146,121                            | 247,213                                 | 6,529            | -  | (5,180)      | 624,526           |
| Selling, general and administrative expenses | 259,861           | 54,718                             | 82,770                                  | 35,962           | -  | (13,456)     | 419,855           |
| Depreciation and amortization                | 67,956            | 50,177                             | 49,740                                  | 10,663           | 3,814  | -            | 182,350           |
| Corporate expenses                           | -                 | -                                  | -                                       | -                | 70,811   | -            | 70,811            |
| Other operating income - net                 | -                 | -                                  | -                                       | -                | 42,118   | -            | 42,118            |
| Operating income (loss)                      | <u>\$ 241,099</u> | <u>\$ 84,005</u>                   | <u>\$ 16,397</u>                        | <u>\$ 22,913</u> | <u>\$ (32,507)</u>                             | <u>\$ -</u>  | <u>\$ 331,907</u> |
| Intersegment revenues                        | \$ -              | \$ 314                             | \$ -                                    | \$ 18,322        | \$ -   | \$ -         | \$ 18,636         |
| Capital expenditures                         | \$ 16,885         | \$ 25,633                          | \$ 30,238                               | \$ 2,812         | \$ 10,621                                      | \$ -         | \$ 86,189         |
| Share-based compensation expense             | \$ 1,418          | \$ 1,893                           | \$ 1,708                                | \$ -             | \$ 2,359                                       | \$ -         | \$ 7,378          |
| <b>Three Months Ended September 30, 2011</b> |                   |                                    |   |                  |  |              |                   |
| Revenue                                      | \$ 791,365        | \$ 326,882                         | \$ 421,568                              | \$ 60,195        | \$ -   | \$ (16,658)  | \$ 1,583,352      |
| Direct operating expenses                    | 242,704           | 143,345                            | 264,787                                 | 7,171            | -  | (3,844)      | 654,163           |
| Selling, general and administrative expenses | 247,037           | 50,639                             | 81,276                                  | 36,022           | -  | (12,814)     | 402,160           |
| Depreciation and amortization                | 68,176            | 60,117                             | 54,817                                  | 12,052           | 2,370  | -            | 197,532           |
| Corporate expenses                           | -                 | -                                  | -                                       | -                | 54,247   | -            | 54,247            |
| Other operating income - net                 | -                 | -                                  | -                                       | -                | (6,490)  | -            | (6,490)           |
| Operating income (loss)                      | <u>\$ 233,448</u> | <u>\$ 72,781</u>                   | <u>\$ 20,688</u>                        | <u>\$ 4,950</u>  | <u>\$ (63,107)</u>                             | <u>\$ -</u>  | <u>\$ 268,760</u> |
| Intersegment revenues                        | \$ -              | \$ 1,084                           | \$ -                                    | \$ 15,574        | \$ -   | \$ -         | \$ 16,658         |
| Capital expenditures                         | \$ 14,313         | \$ 17,073                          | \$ 42,049                               | \$ 816           | \$ 5,178                                       | \$ -         | \$ 79,429         |
| Share-based compensation expense             | \$ 1,034          | \$ 1,903                           | \$ 792                                  | \$ -             | \$ 2,523                                       | \$ -         | \$ 6,252          |

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| <i>(In thousands)</i>                        | CCME              | Americas<br>Outdoor<br>Advertising | International<br>Outdoor<br>Advertising | Other            | Corporate<br>and other<br>reconciling<br>items | Eliminations | Consolidated      |
|--|-------------------|------------------------------------|---|------------------|--|--------------|-------------------|
| <b>Nine Months Ended September 30, 2012</b>  |                   |                                    |   |                  |  |              |                   |
| Revenue                                      | \$ 2,263,308      | \$ 935,850                         | \$ 1,207,900                            | \$ 191,909       | \$ -   | \$ (48,419)  | \$ 4,550,548      |
| Direct operating expenses                    | 642,570           | 433,716                            | 760,566                                 | 18,855           | -  | (9,652)      | 1,846,055         |
| Selling, general and administrative expenses | 743,991           | 151,996                            | 270,926                                 | 113,460          | -  | (38,767)     | 1,241,606         |
| Depreciation and amortization                | 202,935           | 141,702                            | 149,485                                 | 34,871           | 10,562   | -            | 539,555           |
| Corporate expenses                           | -                 | -                                  | -                                       | -                | 211,167  | -            | 211,167           |
| Other operating income - net                 | -                 | -                                  | -                                       | -                | 47,159   | -            | 47,159            |
| Operating income (loss)                      | <u>\$ 673,812</u> | <u>\$ 208,436</u>                  | <u>\$ 26,923</u>                        | <u>\$ 24,723</u> | <u>\$ (174,570)</u>                            | <u>\$ -</u>  | <u>\$ 759,324</u> |
| Intersegment revenues                        | \$ -              | \$ 1,084                           | \$ -                                    | \$ 47,335        | \$ -   | \$ -         | \$ 48,419         |
| Capital expenditures                         | \$ 43,711         | \$ 84,749                          | \$ 97,147                               | \$ 11,817        | \$ 23,057                                      | \$ -         | \$ 260,481        |
| Share-based compensation expense             | \$ 3,834          | \$ 5,065                           | \$ 3,791                                | \$ -             | \$ 7,400                                       | \$ -         | \$ 20,090         |
| <b>Nine Months Ended September 30, 2011</b>  |                   |                                    |   |                  |  |              |                   |
| Revenue                                      | \$ 2,196,075      | \$ 914,800                         | \$ 1,273,072                            | \$ 170,630       | \$ -   | \$ (46,013)  | \$ 4,508,564      |
| Direct operating expenses                    | 643,317           | 420,305                            | 794,679                                 | 21,341           | -  | (11,395)     | 1,868,247         |
| Selling, general and administrative expenses | 721,751           | 149,232                            | 248,800                                 | 110,141          | -  | (34,618)     | 1,195,306         |
| Depreciation and amortization                | 201,665           | 159,061                            | 163,803                                 | 38,146           | 8,209  | -            | 570,884           |
| Corporate expenses                           | -                 | -                                  | -                                       | -                | 163,080  | -            | 163,080           |
| Other operating income - net                 | -                 | -                                  | -                                       | -                | 13,453   | -            | 13,453            |
| Operating income (loss)                      | <u>\$ 629,342</u> | <u>\$ 186,202</u>                  | <u>\$ 65,790</u>                        | <u>\$ 1,002</u>  | <u>\$ (157,836)</u>                            | <u>\$ -</u>  | <u>\$ 724,500</u> |
| Intersegment revenues                        | \$ -              | \$ 2,772                           | \$ -                                    | \$ 43,241        | \$ -   | \$ -         | \$ 46,013         |
| Capital expenditures                         | \$ 37,977         | \$ 82,550                          | \$ 81,150                               | \$ 3,942         | \$ 14,261                                      | \$ -         | \$ 219,880        |
| Share-based compensation expense             | \$ 3,470          | \$ 5,745                           | \$ 2,396                                | \$ -             | \$ 2,670                                       | \$ -         | \$ 14,281         |

**NOTE 10 – SUBSEQUENT EVENTS**

**October 2012 Senior Secured Credit Facility Amendments**

On October 25, 2012, Clear Channel amended the terms of its senior secured credit facilities (the “Amendments”). The Amendments, among other things: permit exchange offers of term loans for new debt securities in an aggregate principal amount of up to \$5.0 billion; provide Clear Channel with greater flexibility to prepay tranche A term loans; following the repayment or extension of all tranche A term loans, permit below par non-pro rata purchases of term loans pursuant to customary Dutch auction procedures whereby all lenders of the class of term loans offered to be purchased will be offered an opportunity to participate; following the repayment or extension of all tranche A term loans, permit the repurchase of junior debt maturing before January 2016 with cash on hand in an amount not to exceed \$200.0 million; combine the term loan B, the delayed draw term loan 1 and the delayed draw term loan 2 under the senior secured credit facilities; preserve revolving credit facility capacity in the event Clear Channel repays all amounts outstanding under the revolving credit facility; and eliminate certain restrictions on the ability of CCOH and its subsidiaries to incur debt.



**CC MEDIA HOLDINGS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**(UNAUDITED)**

**October 2012 Refinancing Transaction**

On October 25, 2012, Clear Channel exchanged \$2.0 billion aggregate principal amount of term loans under its senior secured credit facilities for a like principal amount of newly issued Clear Channel 9.0% priority guarantee notes due 2019 (the “Notes”). The exchange offer, which was offered to eligible existing lenders under Clear Channel’s senior secured credit facilities, was exempt from registration under the Securities Act of 1933, as amended.

The Notes are fully and unconditionally guaranteed, jointly and severally, on a senior basis by Clear Channel Capital I, LLC, and all of Clear Channel’s existing and future domestic wholly-owned restricted subsidiaries. The Notes and the related guarantees are secured by (1) a lien on (a) the capital stock of Clear Channel and (b) certain property and related assets that do not constitute “principal property” (as defined in the indenture governing certain existing senior notes of Clear Channel), in each case equal in priority to the liens securing the obligations under Clear Channel’s senior secured credit facilities and existing priority guarantee notes and (2) a lien on the accounts receivable and related assets securing Clear Channel’s receivables based credit facility junior in priority to the lien securing Clear Channel’s obligations thereunder. In addition to the collateral granted to secure the Notes, the collateral agent and the trustee for the Notes entered into an agreement with the administrative agent for the lenders under the senior secured credit facilities to turn over to the trustee under the Notes, for the benefit of the holders of the Notes, a pro rata share of any recovery received on account of the principal properties, subject to certain terms and conditions.

**Option Exchange**

On October 22, 2012, the Company announced an offering (the “Offer”) to eligible employees of the Company and its direct and indirect subsidiaries to exchange outstanding options to purchase shares of the Company’s Class A common stock (the “Common Stock”) granted under the Clear Channel 2008 Executive Incentive Plan that have a per share exercise price equal to \$10.00 (“Eligible Options”) for shares of restricted Common Stock granted as of the date of the commencement of the Offer in an amount equal to 90.0% of the number of shares of Common Stock underlying such person’s Eligible Options tendered and accepted for exchange, on the terms and under the conditions set forth in the Offer.

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

### Format of Presentation

Management's discussion and analysis of our financial condition and results of operations ("MD&A") should be read in conjunction with the consolidated financial statements and related footnotes. Our discussion is presented on both a consolidated and segment basis. Our reportable segments are Media and Entertainment ("CCME"), Americas outdoor advertising ("Americas outdoor" or "Americas outdoor advertising") and International outdoor advertising ("International outdoor" or "International outdoor advertising"). Our CCME segment provides media and entertainment services via broadcast and digital delivery and also includes our national syndication business. Our Americas outdoor and International outdoor segments provide outdoor advertising services in their respective geographic regions using various digital and traditional display types. Included in the "Other" segment are our media representation business, Katz Media Group, as well as other general support services and initiatives, which are ancillary to our other businesses.

We manage our operating segments primarily focusing on their operating income, while Corporate expenses, Other operating income – net, Interest expense, Equity in earnings of nonconsolidated affiliates, Other income (expense) – net and Income tax benefit are managed on a total company basis and are, therefore, included only in our discussion of consolidated results.

During the first quarter of 2012, and in connection with the appointment of the new chief executive officer of our indirect subsidiary, Clear Channel Outdoor Holdings, Inc. ("CCOH"), we reevaluated our segment reporting and determined that our Latin American operations were more appropriately aligned within the operations of our International outdoor advertising segment. As a result, the operations of Latin America are no longer reflected within our Americas outdoor advertising segment and are currently included in the results of our International outdoor advertising segment. Accordingly, we have recast the corresponding segment disclosures for prior periods.

Our CCME business utilizes several key measurements to analyze performance, including average minute rates and minutes sold. Our CCME revenue is derived primarily from selling advertising time, or spots, on our radio stations, with advertising contracts typically less than one year in duration. The programming formats of our radio stations are designed to reach audiences with targeted demographic characteristics that appeal to our advertisers. We also provide streaming content via the Internet, mobile and other digital platforms which reach national, regional and local audiences and derive revenues primarily from selling advertising time with advertising contracts similar to those used by our radio stations.

Management typically monitors our Americas outdoor and International outdoor advertising businesses by reviewing the average rates, occupancy and inventory levels of each of our display types by market. Our outdoor advertising revenue is derived from selling advertising space on the displays we own or operate in key markets worldwide, consisting primarily of billboards, street furniture and transit displays. Part of our long-term strategy for our Americas outdoor and International outdoor advertising businesses is to pursue the technology of digital displays, including flat screens, LCDs and LEDs, as additions to traditional methods of displaying our clients' advertisements. We are currently installing these technologies in certain markets.

Our advertising revenue for all of our segments is highly correlated to changes in gross domestic product ("GDP") as advertising spending has historically trended in line with GDP, both domestically and internationally. According to the U.S. Department of Commerce, estimated U.S. GDP growth for the third quarter of 2012 was 2.0%. Internationally, our results are impacted by fluctuations in foreign currency exchange rates and economic conditions in the foreign markets in which we have operations.

### Executive Summary

The key developments in our business for the three and nine months ended September 30, 2012 are summarized below:

- Consolidated revenue increased \$4.0 million including negative foreign exchange movements of \$24.9 million during the three months ended September 30, 2012, and increased \$42.0 million including negative foreign exchange movements of \$73.7 million during the nine months ended September 30, 2012 compared to the same periods of 2011. Excluding foreign exchange impacts, consolidated revenue increased \$28.9 million and \$115.7 million, respectively, over the comparable three-month and nine-month periods in the prior year.
- CCME revenue increased \$7.4 million and \$67.2 million during the three and nine months ended September 30, 2012, respectively, compared to the same periods of 2011.

- Americas outdoor revenue increased \$8.1 million and \$21.1 million during the three and nine months ended September 30, 2012, respectively, compared to the same periods of 2011.
- During the nine months ended September 30, 2012, we deployed 147 digital displays in the United States, compared to 153 in the nine months ended September 30, 2011.
- International outdoor revenue decreased \$25.4 million and \$65.2 million including negative foreign exchange movements of \$24.7 million and \$72.8 million during the three and nine months ended September 30, 2012, respectively, compared to the same periods of 2011. Excluding foreign exchange impacts, revenue was relatively flat and increased \$7.6 million, respectively, over the comparable three-month and nine-month periods in the prior year. The strengthening of the dollar significantly contributed to the revenue decline in our International outdoor advertising business. The weakened macroeconomic conditions in Europe had a negative impact on our operations in certain countries.
- Revenues in our Other segment grew \$15.9 million and \$21.3 million during the three and nine months ended September 30, 2012, respectively, primarily due to increased political advertising through our media representation business.
- During the third quarter of 2012, we spent \$18.3 million on strategic revenue and cost-saving initiatives to realign and improve our on-going business operations—an increase of \$15.3 million over the third quarter of 2011.
- During the first quarter of 2012, our indirect subsidiary, Clear Channel Worldwide Holdings, Inc. (“CCWH”), issued \$275.0 million aggregate principal amount of 7.625% Series A Senior Subordinated Notes due 2020 and \$1,925.0 million aggregate principal amount of 7.625% Series B Senior Subordinated Notes due 2020 (collectively, the “Subordinated Notes”) and in connection therewith, CCOH distributed a special cash dividend (the “CCOH Dividend”) equal to \$6.0832 per share to its stockholders of record. Using CCOH Dividend proceeds distributed to our wholly-owned subsidiaries, together with cash on hand, our subsidiary Clear Channel Communications, Inc. (“Clear Channel”) repaid \$2,096.2 million of indebtedness under its senior secured credit facilities. Please refer to the “Subsidiary Senior Subordinated Notes Issuance” section within this MD&A for further discussion of the Subordinated Notes offering, including the use of the proceeds.
- During the first quarter of 2012, Clear Channel repaid its 5.0% senior notes at maturity for \$249.9 million (net of \$50.1 million principal amount repaid to a subsidiary of Clear Channel with respect to notes repurchased and held by such entity), plus accrued interest, using a portion of the proceeds from Clear Channel’s 2011 issuance of 9.0% Priority Guarantee Notes discussed elsewhere in this MD&A, along with cash on hand.

## RESULTS OF OPERATIONS

### Consolidated Results of Operations

The comparison of our results of operations for the three and nine months ended September 30, 2012 to the three and nine months ended September 30, 2011 is as follows:

| <i>(In thousands)</i>   | Three Months Ended |              | %      | Nine Months Ended |              | %      |
|---|--------------------|--------------|--------|-------------------|--------------|--------|
|   | September 30,      |              |        | September 30,     |              |        |
|   | 2012               | 2011         | Change | 2012              | 2011         | Change |
| Revenue   | \$ 1,587,331       | \$ 1,583,352 | 0%     | \$ 4,550,548      | \$ 4,508,564 | 1%     |
| Operating expenses:   |                    |              |        |                   |              |        |
| Direct operating expenses (excludes depreciation and amortization)                    | 624,526            | 654,163      | (5%)   | 1,846,055         | 1,868,247    | (1%)   |
| Selling, general and administrative expenses (excludes depreciation and amortization) | 419,855            | 402,160      | 4%     | 1,241,606         | 1,195,306    | 4%     |
| Corporate expenses (excludes depreciation and amortization)                           | 70,811             | 54,247       | 31%    | 211,167           | 163,080      | 29%    |
| Depreciation and amortization   | 182,350            | 197,532      | (8%)   | 539,555           | 570,884      | (5%)   |
| Other operating income (expense) – net  | 42,118             | (6,490)      | 749%   | 47,159            | 13,453       | 251%   |
| Operating income  | 331,907            | 268,760      | 23%    | 759,324           | 724,500      | 5%     |
| Interest expense  | 388,210            | 369,233      |        | 1,148,093         | 1,097,849    |        |
| Equity in earnings of nonconsolidated affiliates                                      | 3,663              | 5,210        |        | 11,914            | 13,456       |        |
| Other income (expense) – net  | 824                | 7,307        |        | (16,846)          | 754          |        |
| Loss before income taxes  | (51,816)           | (87,956)     |        | (393,701)         | (359,139)    |        |
| Income tax benefit  | 13,232             | 20,665       |        | 179,293           | 122,510      |        |
| Consolidated net loss   | (38,584)           | (67,291)     |        | (214,408)         | (236,629)    |        |
| Less amount attributable to noncontrolling interest                                   | 11,977             | 6,765        |        | 18,807            | 22,438       |        |
| Net loss attributable to the Company  | \$ (50,561)        | \$ (74,056)  |        | \$ (233,215)      | \$ (259,067) |        |

### Consolidated Revenue

Our consolidated revenue during the third quarter of 2012 increased \$4.0 million including negative movements in foreign exchange of \$24.9 million compared to the same period of 2011. Excluding the impact of foreign exchange movements, consolidated revenue increased \$28.9 million. Our CCME revenue increased \$7.4 million, primarily due to growth in radio market revenues largely from increases in national advertising across various markets and advertising categories, including telecommunications, political, media publishing and auto, and the iHeartRadio Music Festival, partially offset by revenue declines in CCME's acquired traffic business. Americas outdoor revenue increased \$8.1 million driven primarily by our bulletin revenue growth as a result of our continued digital display deployments during 2012 and 2011 and revenue growth from our airports business. Our International outdoor revenue decreased \$25.4 million including negative movements in foreign exchange of \$24.7 million compared to the same period of 2011. Excluding the impact of foreign exchange movements, International outdoor revenue decreased \$0.7 million. Revenue from our street furniture business was a primary driver of growth in certain countries, partially offset by declines in other countries as a result of weakened macroeconomic conditions and the impact of businesses divested during the quarter. Our Other segment revenue grew by \$15.9 million as a result of higher commissions driven by increased political advertising through our media representation business during the presidential election year.

Our consolidated revenue increased \$42.0 million including negative movements in foreign exchange of \$73.7 million during the nine months ended September 30, 2012 compared to the same period of 2011. Excluding the impact of foreign exchange movements, revenue increased \$115.7 million. Our CCME revenue increased \$67.2 million, driven by growth of \$44.4 million from national and local advertising including auto, political and retail, and a \$22.1 million increase due to our April 2011 acquisition of a traffic business. Americas outdoor revenue increased \$21.1 million, driven primarily by our bulletin revenue growth as a result of our continued deployment of new digital displays during 2012 and 2011 and revenue growth from our airports business. Our International outdoor revenue decreased \$65.2 million including negative movements in foreign exchange of \$72.8 million compared to the same period of 2011. Excluding the impact of foreign exchange movements, revenue increased \$7.6 million. Street furniture and billboard revenue in certain countries drove our revenue growth, which was partially offset by declines in other countries as a result of

weakened macroeconomic conditions. Our Other segment revenue grew by \$21.3 million as a result of increased political advertising through our media representation business during the election year.

### ***Consolidated Direct Operating Expenses***

Direct operating expenses decreased \$29.6 million including a \$16.4 million decline due to the effects of movements in foreign exchange during the third quarter of 2012 compared to the same period of 2011. Our CCME direct operating expenses decreased \$12.9 million, primarily due to cost saving measures and a \$4.9 million decrease in music license fees resulting from lower royalty rates. These decreases were partially offset by increases in digital streaming costs due to increased listenership. Americas outdoor direct operating expenses increased \$2.8 million, primarily due to higher site lease expense associated with our continued deployment of digital bulletins. Direct operating expenses in our International outdoor segment decreased \$17.6 million including a \$16.3 million decrease from movements in foreign exchange. The decrease in expense excluding the impact of movements in foreign exchange was primarily driven by lower site lease expenses in certain countries impacted by weakened economic conditions.

Direct operating expenses decreased \$22.2 million including a \$47.4 million decline due to the effects of movements in foreign exchange during the nine months ended September 30, 2012 compared to the same period of 2011. Our CCME direct operating expenses were relatively flat. An increase of \$29.7 million related to our traffic acquisition and increases in our digital streaming costs due to increased listenership were offset by a \$35.6 million decrease in music license fees resulting from lower royalty rates and a credit totaling \$20.7 million received from one of our performance rights organizations related to a portion of our fees previously paid. Americas outdoor direct operating expenses increased \$13.4 million, primarily due to increased site lease expense associated with our continued development of digital displays. Direct operating expenses in our International outdoor segment decreased \$34.1 million including a \$46.8 million decline due to the effects of movements in foreign exchange. The increase in expense excluding the impact of movements in foreign exchange was primarily driven by higher site lease and other expenses as a result of new contracts. These increases were partially offset by lower variable costs in countries where revenues have declined.

### ***Consolidated Selling, General and Administrative (“SG&A”) Expenses***

SG&A expenses increased \$17.7 million including a decline of \$6.0 million due to the effects of movements in foreign exchange during the third quarter of 2012 compared to the same period of 2011. Our CCME SG&A expenses increased \$12.8 million, primarily due to \$4.5 million related to the iHeartRadio Music Festival and costs related to strategic revenue initiatives and cost savings programs. SG&A expenses increased \$4.1 million in our Americas outdoor segment primarily due to higher personnel costs and costs associated with strategic revenue and cost initiatives. Our International outdoor SG&A expenses increased \$1.5 million including a \$5.6 million decrease due to the effects of movements in foreign exchange, offset by higher expenses related to revenue and cost initiatives in certain markets.

SG&A expenses increased \$46.3 million including a decrease of \$20.1 million due to the effects of movements in foreign exchange during the nine months ended September 30, 2012 compared to the same period of 2011. Our CCME SG&A expenses increased \$22.2 million due to an increase related to our traffic acquisition and additional iHeartRadio Music Festival promotional expenses. SG&A expenses in our Americas outdoor segment increased \$2.8 million due to increased personnel costs and costs associated with strategic revenue and cost initiatives partially offset by a favorable court ruling resulting in a \$7.8 million decrease in expenses. Our International outdoor SG&A expenses increased \$22.1 million including a \$20.0 million decline due to the effects of movements in foreign exchange. The increase was primarily due to \$22.7 million of expense related to the negative impact of litigation in Latin America, including expenses related to the Brazil litigation discussed further in Item 1 of Part II of this Quarterly Report on Form 10-Q. Also contributing to the increase were additional costs related to revenue and cost initiatives.

### ***Corporate Expenses***

Corporate expenses increased \$16.6 million and \$48.1 million during the three and nine months ended September 30, 2012, respectively, compared to the same periods of 2011, as a result of timing and amounts recorded under our employee benefit plans and variable compensation plans, and expenses related to management reorganizations and Corporate IT projects. Also impacting the increase during the nine months ended September 30, 2012 compared to 2011 is the reversal of \$6.6 million of share-based compensation expense included in the first quarter of 2011 related to the cancellation of a portion of an executive’s stock options.

### ***Depreciation and Amortization***

Depreciation and amortization decreased \$15.2 million and \$31.3 million during the three and nine months ended September 30, 2012, respectively, including the decrease due to the effects of movements in foreign exchange of \$4.7 million and \$8.9 million, respectively, compared to the same period of 2011. The decrease is primarily as a result of declines in accelerated depreciation and amortization in our Americas outdoor segment due to timing related to the removal of various structures, including the removal of traditional billboards in connection with the continued deployment of digital billboards. Additionally, amortization declined in our

International outdoor segment primarily as a result of assets that became fully amortized during 2011.

### **Other Operating Income – Net**

Other operating income of \$42.1 million and \$47.2 million for the third quarter and first nine months of 2012, respectively, primarily related to the gain on the sale of our international neon business in August 2012.

### **Interest Expense**

Interest expense increased \$19.0 million and \$50.2 million during the three and nine months ended September 30, 2012, respectively, compared to the same periods of 2011, primarily due to higher interest from Clear Channel's 2011 issuance of 9.0% Priority Guarantee Notes and interest associated with CCWH's issuance of the Subordinated Notes during the first quarter of 2012. Please refer to "Sources of Capital" for additional discussion of the debt issuances. The increase in interest expense was partially offset by decreased interest expense related to the prepayment of indebtedness under Clear Channel's senior secured credit facilities made in connection with the Subordinated Notes issuance and the timing and repayment of Clear Channel's senior notes at maturity.

### **Other Income (Expense) – Net**

Other expense of \$16.8 million for the nine months ended September 30, 2012 primarily related to losses on the accelerated expensing of loan origination fees upon prepayment of senior secured indebtedness in connection with CCWH's issuance of the Subordinated Notes.

### **Income Tax Benefit**

Our effective tax rate for the three and nine months ended 2012 was 25.5% and 45.5%, respectively. The effective tax rate for the three months ended September 30, 2012 was primarily impacted by additional tax expense related to uncertain tax positions, the effects of which were partially offset by reduced non-U.S. tax rates on financial reporting gains resulting from the disposition of certain foreign subsidiaries. The effective tax rate for the nine months ended September 30, 2012 was primarily impacted by the completion of income tax examinations in various jurisdictions during the period which resulted in a reduction to income tax expense of approximately \$61.0 million.

Our effective tax rate for the three and nine months ended September 30, 2011 was 23.5% and 34.1%, respectively. The effective tax rate for the three months ended September 30, 2011 was primarily impacted by increases in tax expense attributable to the write-off of deferred tax assets in excess of the tax benefits realized upon the vesting of certain equity awards, an increase in unrecognized tax benefits and our inability to record the tax benefit of losses in certain foreign jurisdictions. The effective tax rate for the nine months ended September 30, 2011 was primarily impacted by our settlement of U.S. federal and state tax examinations during the period. Pursuant to the settlements, we recorded a reduction to income tax expense of approximately \$10.6 million to reflect the net tax benefits of the settlements. In addition, the effective tax rate for the nine months ended September 30, 2011 was impacted by our ability to benefit from certain tax loss carryforwards in foreign jurisdictions due to increased taxable income during 2011, where the losses previously did not provide a benefit.

### **CCME Results of Operations**

Our CCME operating results were as follows:

| <i>(In thousands)</i>         | Three Months Ended September 30, |            | %    | Nine Months Ended September 30, |              | %    |
|-------------------------------|----------------------------------|------------|------|---------------------------------|--------------|------|
|                               | 2012                             | 2011       |      | Change                          | 2012         |      |
| Revenue                       | \$ 798,759                       | \$ 791,365 | 1%   | \$ 2,263,308                    | \$ 2,196,075 | 3%   |
| Direct operating expenses     | 229,843                          | 242,704    | (5%) | 642,570                         | 643,317      | (0%) |
| SG&A expenses                 | 259,861                          | 247,037    | 5%   | 743,991                         | 721,751      | 3%   |
| Depreciation and amortization | 67,956                           | 68,176     | (0%) | 202,935                         | 201,665      | 1%   |
| Operating income              | \$ 241,099                       | \$ 233,448 | 3%   | \$ 673,812                      | \$ 629,342   | 7%   |

### **Three Months**

CCME revenue increased \$7.4 million during the third quarter of 2012 compared to the same period of 2011, primarily due to growth in radio market revenues from greater national advertising sales volume across various markets and advertising categories.

National sales increased primarily due to telecommunications, political, media publishing and auto categories and also advertiser sponsorships associated with our iHeart Radio Music Festival. The presidential election year has driven both national and local increases in political advertising. In addition, increased listenership drove revenue increases from our digital radio services primarily as a result of volume increases in connection with our digital service offerings, including our iHeartRadio platform. These increases were partially offset by declines in our acquired traffic business.

Direct operating expenses decreased \$12.9 million during the third quarter of 2012, primarily due to a \$4.9 million decrease in music license fees resulting from lower royalty rates as well as lower personnel costs as a result of strategic cost initiatives. These decreases were partially offset by increases in digital streaming costs due to increased listenership. SG&A expenses increased \$12.8 million, primarily due to the iHeartRadio Music Festival and costs related to strategic revenue initiatives and cost savings programs.

### ***Nine Months***

CCME revenue increased \$67.2 million during the nine months ended September 30, 2012 compared to the same period of 2011, primarily due to growth in radio market revenues of \$44.4 million in higher national and local advertising sales volumes and a \$22.1 million increase resulting from our traffic acquisition. Auto, political, and retail advertising categories were the primary drivers of the growth. Digital radio services sales increased as a result of sales volume growth in connection with increased listenership of our digital service offerings, including our iHeartRadio platform.

Direct operating expenses were relatively flat. An increase of \$29.7 million related to our traffic acquisition as well as an increase in digital expenses related to the expansion of our iHeartRadio digital platform, including higher digital streaming fees, was offset by a \$35.6 million decrease in music license fees. Decreases in music license fees resulted from lower royalty rates and a credit totaling \$20.7 million received during the year from one of our performance rights organizations related to a portion of our fees previously paid. Our CCME SG&A expenses increased \$22.2 million due to an increase related to our traffic acquisition, an increase in personnel costs related to strategic revenue and cost initiatives, and iHeartRadio Music Festival promotional expenses.

### **Americas Outdoor Advertising Results of Operations**

Our Americas outdoor advertising operating results were as follows:

| <i>(In thousands)</i>         | Three Months Ended |            |        | Nine Months Ended |            |        |
|-------------------------------|--------------------|------------|--------|-------------------|------------|--------|
|                               | September 30,      |            | %      | September 30,     |            | %      |
|                               | 2012               | 2011       | Change | 2012              | 2011       | Change |
| Revenue                       | \$ 335,021         | \$ 326,882 | 2%     | \$ 935,850        | \$ 914,800 | 2%     |
| Direct operating expenses     | 146,121            | 143,345    | 2%     | 433,716           | 420,305    | 3%     |
| SG&A expenses                 | 54,718             | 50,639     | 8%     | 151,996           | 149,232    | 2%     |
| Depreciation and amortization | 50,177             | 60,117     | (17%)  | 141,702           | 159,061    | (11%)  |
| Operating income              | \$ 84,005          | \$ 72,781  | 15%    | \$ 208,436        | \$ 186,202 | 12%    |

### ***Three Months***

Our Americas outdoor revenue increased \$8.1 million during the third quarter of 2012 compared to the same period of 2011, driven by growth in bulletins primarily as a result of our continued digital display deployments during 2012 and 2011. Our airport revenues grew as a result of increased occupancy by our largest U.S. airport customers. These increases were partially offset by declines in poster revenues.

Direct operating expenses increased \$2.8 million, primarily due to higher site lease expense associated with our continued deployment of digital displays. SG&A expenses increased \$4.1 million as a result of higher personnel costs and expenses associated with strategic revenue initiatives.

Depreciation and amortization declined \$9.9 million, primarily as a result of declines in accelerated depreciation and amortization due to timing related to the removal of various structures, including the removal of traditional billboards in connection with the continued deployment of digital billboards.

### *Nine Months*

Our Americas outdoor revenue increased \$21.1 million during the nine months ended September 30, 2012 compared to the same period of 2011 primarily from growth in bulletin and airport revenues. Our continued deployment of new digital displays during 2012 and 2011 is the primary driver of our growth. Our airport revenues grew as a result of increased occupancy by our largest U.S. airport customers. These increases were partially offset by declines in poster and shelter revenues.

Direct operating expenses increased \$13.4 million due to increased site lease expense primarily as result of our continued deployment of digital displays. SG&A expenses increased \$2.8 million primarily due to higher personnel costs and costs associated with strategic revenue initiatives partially offset by a favorable court ruling resulting in a \$7.8 million decrease in expenses.

Depreciation and amortization decreased \$17.4 million, primarily as a result of declines in accelerated depreciation and amortization in our Americas outdoor segment due to timing related to the removal of various structures, including the removal of traditional billboards in connection with the continued deployment of digital billboards.

### **International Outdoor Advertising Results of Operations**

Our International outdoor operating results were as follows:

| <i>(In thousands)</i>         | Three Months Ended |            |        | Nine Months Ended |              |        |
|-------------------------------|--------------------|------------|--------|-------------------|--------------|--------|
|                               | September 30,      |            | %      | September 30,     |              | %      |
|                               | 2012               | 2011       | Change | 2012              | 2011         | Change |
| Revenue                       | \$ 396,120         | \$ 421,568 | (6%)   | \$ 1,207,900      | \$ 1,273,072 | (5%)   |
| Direct operating expenses     | 247,213            | 264,787    | (7%)   | 760,566           | 794,679      | (4%)   |
| SG&A expenses                 | 82,770             | 81,276     | 2%     | 270,926           | 248,800      | 9%     |
| Depreciation and amortization | 49,740             | 54,817     | (9%)   | 149,485           | 163,803      | (9%)   |
| Operating income              | \$ 16,397          | \$ 20,688  | (21%)  | \$ 26,923         | \$ 65,790    | (59%)  |

### *Three Months*

International outdoor revenue decreased \$25.4 million during the third quarter of 2012 compared to the same period of 2011, including \$24.7 million of negative movements in foreign exchange. Excluding the impact of movements in foreign exchange, countries including China and Australia experienced increased revenues, primarily related to our street furniture business, and the Olympic Games led to increased revenues in the United Kingdom. These increases were offset by revenue declines in certain geographies as a result of weakened macroeconomic conditions, particularly in France, southern Europe and the Nordic countries, as well as a \$5.5 million decline in revenues resulting from the sale of our international neon business in August 2012.

Direct operating expenses decreased \$17.6 million including a \$16.3 million decrease due to the effects of movements in foreign exchange. The remaining decrease was primarily driven by lower site lease expenses in certain countries impacted by weakened economic conditions. SG&A expenses increased \$1.5 million including a \$5.6 million decrease due to the effects of movements in foreign exchange, offset by higher expenses related to revenue and cost initiatives in certain markets.

Depreciation and amortization declined \$5.1 million, including \$3.0 million of negative movements in foreign exchange, primarily as a result of assets that became fully depreciated or amortized during 2011.

### *Nine Months*

International outdoor revenue decreased \$65.2 million during the nine months ended September 30, 2012 compared to the same period of 2011, including \$72.8 million of negative movements in foreign exchange. Excluding the impact of movements in foreign exchange, countries including China, Australia, Switzerland, United Kingdom and Belgium experienced increased revenues, primarily related to our shelters, street furniture and billboard businesses. New contracts won during 2011 helped drive revenue growth. These increases were partially offset by revenue declines in certain geographies as a result of weakened macroeconomic conditions, particularly in France, southern Europe and the Nordic countries.

Direct operating expenses decreased \$34.1 million including a \$46.8 million decline due to the effects of movements in



foreign exchange. The increase in expense excluding the impact of movements in foreign exchange was primarily driven by higher site lease and other expenses as a result of new contracts. These increases were partially offset by lower variable costs in countries where revenues have declined.

SG&A expenses increased \$22.1 million including a \$20.0 million decrease from the effects of movements in foreign exchange. The increase was driven primarily by \$22.7 million of expense related to the negative impact of litigation in Latin America, including expenses related to the Brazil litigation discussed further in Item 1 of Part II of this Quarterly Report on Form 10-Q. Also contributing to the increase were additional costs related to revenue and cost initiatives.

Depreciation and amortization declined \$14.3 million, including \$8.8 million of negative movements in foreign exchange, primarily as a result of assets that became fully depreciated or amortized during 2011.

### Reconciliation of Segment Operating Income to Consolidated Operating Income

(In thousands)

|  | Three Months Ended |            | Nine Months Ended |            |
|--|--------------------|------------|-------------------|------------|
|  | September 30,      |            | September 30,     |            |
|  | 2012               | 2011       | 2012              | 2011       |
| CCME                                   | \$ 241,099         | \$ 233,448 | \$ 673,812        | \$ 629,342 |
| Americas outdoor advertising           | 84,005             | 72,781     | 208,436           | 186,202    |
| International outdoor advertising      | 16,397             | 20,688     | 26,923            | 65,790     |
| Other                                  | 22,913             | 4,950      | 24,723            | 1,002      |
| Other operating income (expense) - net | 42,118             | (6,490)    | 47,159            | 13,453     |
| Corporate expenses (1)                 | (74,625)           | (56,617)   | (221,729)         | (171,289)  |
| Consolidated operating income          | \$ 331,907         | \$ 268,760 | \$ 759,324        | \$ 724,500 |

(1) Corporate expenses include infrastructure support expenses related to CCME, Americas outdoor, International outdoor and our Other segment, as well as overall executive, administrative and support functions.

### Share-Based Compensation Expense

The following table presents amounts related to share-based compensation expense for the three and nine months ended September 30, 2012 and 2011, respectively:

(In thousands)

|  | Three Months Ended |          | Nine Months Ended |           |
|--|--------------------|----------|-------------------|-----------|
|  | September 30,      |          | September 30,     |           |
|  | 2012               | 2011     | 2012              | 2011      |
| CCME                                   | \$ 1,418           | \$ 1,034 | \$ 3,834          | \$ 3,470  |
| Americas outdoor advertising           | 1,893              | 1,903    | 5,065             | 5,745     |
| International outdoor advertising      | 1,708              | 792      | 3,791             | 2,396     |
| Corporate (1)                          | 2,359              | 2,523    | 7,400             | 2,670     |
| Total share-based compensation expense | \$ 7,378           | \$ 6,252 | \$ 20,090         | \$ 14,281 |

(1) Included in corporate share-based compensation for the nine months ended September 30, 2011 is a \$6.6 million reversal of expense related to the cancellation of a portion of an executive's stock options.

We completed a voluntary stock option exchange program on March 21, 2011 and exchanged 2.5 million stock options granted under the Clear Channel 2008 Executive Incentive Plan for 1.3 million replacement stock options with a lower exercise price and different service and performance conditions. We accounted for the exchange program as a modification of the existing awards under ASC 718 and will recognize incremental compensation expense of approximately \$1.0 million over the service period of the new awards.

As of September 30, 2012, there was \$35.1 million of unrecognized compensation cost, net of estimated forfeitures, related to unvested share-based compensation arrangements that will vest based on service conditions. Based on the terms of the award agreements, this cost is expected to be recognized over a weighted average period of approximately two years. In addition, as of September 30, 2012, there was \$16.2 million of unrecognized compensation cost, net of estimated forfeitures, related to unvested share-based compensation arrangements that will vest based on market, performance and service conditions. This cost will be recognized when it becomes probable that the performance condition will be satisfied.

### ***Option Exchange***

On October 22, 2012, we announced that we are offering (the “Offer”) to our eligible employees the opportunity to exchange outstanding options to purchase shares of our Class A common stock (the “Common Stock”) granted under the Clear Channel 2008 Executive Incentive Plan that have a per share exercise price equal to \$10.00 (“Eligible Options”) for shares of restricted Common Stock granted as of the date of the commencement of the Offer in an amount equal to 90.0% of the number of shares of Common Stock underlying such person’s Eligible Options tendered and accepted for exchange, on the terms and under the conditions set forth in the offer to exchange. The Offer is currently expected to expire on November 19, 2012.

## **LIQUIDITY AND CAPITAL RESOURCES**

### **Cash Flows**

The following discussion highlights our cash flow activities during the nine months ended September 30, 2012 and 2011.

| <i>(In thousands)</i>        | Nine Months Ended |              |
|------------------------------|-------------------|--------------|
|                              | September 30,     |              |
|                              | 2012              | 2011         |
| Cash provided by (used for): |                   |              |
| Operating activities         | \$ 156,171        | \$ 121,382   |
| Investing activities         | \$ (245,136)      | \$ (212,265) |
| Financing activities         | \$ 156,926        | \$ (664,662) |

### ***Operating Activities***

Our consolidated net loss, adjusted for \$513.0 million of non-cash items, provided positive cash flows of \$298.6 million during the nine months ended September 30, 2012. Our consolidated net loss, adjusted for \$601.1 million of non-cash items, provided positive cash flows of \$364.5 million during the nine months ended September 30, 2011. Cash provided by operating activities during the nine months ended September 30, 2012 was \$156.2 million compared to \$121.4 million of cash provided by operating activities during the nine months ended September 30, 2011. Cash paid for interest was \$81.2 million higher in the nine months ended September 30, 2012 compared to the prior year. Cash provided by operations in 2011 compared to 2012 reflected higher variable compensation payments in 2011 associated with our employee incentive programs based on 2010 operating performance.

Non-cash items affecting our net loss include depreciation and amortization, deferred taxes, gain on disposal of operating assets, loss on extinguishment of debt, provision for doubtful accounts, share-based compensation, equity in earnings of nonconsolidated affiliates, amortization of deferred financing charges and note discounts – net and other reconciling items – net as presented on the face of the consolidated statement of cash flows.

### ***Investing Activities***

Cash used for investing activities of \$245.1 million during the nine months ended September 30, 2012 reflected capital expenditures of \$260.5 million. We spent \$43.7 million for capital expenditures in our CCME segment, \$84.7 million in our Americas outdoor segment primarily related to the construction of new billboards, \$97.1 million in our International outdoor segment primarily related to new billboard and street furniture contracts and renewals of existing contracts and \$11.8 million in our Other segment related to our national representation business. Partially offsetting cash used for investing activities were \$58.9 million of proceeds from the divestiture of our international neon business and the sales of other operating assets.

Cash used for investing activities of \$212.3 million during the nine months ended September 30, 2011 reflected capital expenditures of \$218.1 million. We spent \$38.0 million for capital expenditures in our CCME segment, \$82.6 million in our

Americas outdoor segment primarily related to the construction of new billboards, \$81.2 million in our International outdoor segment primarily related to new billboard and street furniture contracts and renewals of existing contracts and \$14.3 million in our Other segment related to our national representation business. Cash of \$33.9 million paid for purchases of businesses primarily related to our traffic acquisition and the cloud-based music technology business we purchased during the nine months ended September 30, 2011. In addition, we received proceeds of \$52.4 million primarily related to the sale of radio stations, towers and other assets in our CCME, Americas outdoor, and International outdoor segments.

### ***Financing Activities***

Cash provided by financing activities of \$156.9 million during the nine months ended September 30, 2012 primarily reflected the issuance of the Subordinated Notes by CCWH and the use of proceeds distributed to Clear Channel in connection with the CCOH Dividend, in addition to cash on hand, to repay \$2,096.2 million of indebtedness under Clear Channel's senior secured credit facilities. Our financing activities also reflect the CCOH Dividend paid in connection with the Subordinated Notes issuance, of which \$244.7 million represents the portion paid to parties other than our subsidiaries that own CCOH common stock. In addition, Clear Channel repaid its 5.0% senior notes at maturity for \$249.9 million (net of \$50.1 million principal amount held by and repaid to a subsidiary of Clear Channel with respect to notes repurchased and held by such entity), plus accrued interest, using a portion of the proceeds from the February 2011 issuance of \$1.0 billion aggregate principal amount of 9.0% Priority Guarantee Notes (the "Initial Notes") discussed elsewhere in this MD&A, along with available cash on hand.

Cash used for financing activities of \$664.7 million during the nine months ended September 30, 2011 primarily reflected the issuances of the Initial Notes in February 2011 and \$750.0 million in aggregate principal amount of 9.0% Priority Guarantee Notes (the "Additional Notes") in June 2011, and the use of proceeds from the Initial Notes offering, as well as cash on hand, to prepay \$500.0 million of Clear Channel's senior secured credit facilities and repay at maturity Clear Channel's 6.25% senior notes that matured in the first six months of 2011 as discussed elsewhere in this MD&A. Clear Channel also repaid all outstanding amounts under its receivables based facility prior to, and in connection with, the Additional Notes offering. Cash used for financing activities also included the \$95.0 million of pre-existing, intercompany debt owed by acquired entities repaid immediately after the closing of the traffic acquisition. Additionally, Clear Channel repaid its 4.4% notes at maturity in May 2011 for \$140.2 million, plus accrued interest, with available cash on hand, and repaid \$500.0 million of its revolving credit facility on June 27, 2011.

### **Anticipated Cash Requirements**

Our primary source of liquidity is cash on hand, cash flow from operations and borrowing capacity under Clear Channel's receivables based credit facility, subject to certain limitations contained in Clear Channel's material financing agreements. Based on our current and anticipated levels of operations and conditions in our markets, we believe that cash on hand, cash flows from operations and borrowing capacity under Clear Channel's receivables based credit facility will enable us to meet our working capital, capital expenditure, debt service and other funding requirements for at least the next 12 months. In addition, we expect to be in compliance with the covenants governing the indebtedness in 2012. We believe our long-term plans, which include promoting spending in our industries and capitalizing on our diverse geographic and product opportunities, including the continued investment in our media and entertainment initiatives and continued deployment of digital displays, will enable us to continue generating cash flows from operations sufficient to meet our liquidity and funding requirements long term. However, our anticipated results are subject to significant uncertainty and there can be no assurance that we will be able to maintain compliance with these covenants. In addition, our ability to comply with these covenants may be affected by events beyond our control, including prevailing economic, financial and industry conditions.

Our ability to fund our working capital needs, debt service and other obligations, and to comply with the financial covenant under Clear Channel's financing agreements depends on our future operating performance and cash flow, which are in turn subject to prevailing economic conditions and other factors, many of which are beyond our control. If our future operating performance does not meet our expectations or our plans materially change in an adverse manner or prove to be materially inaccurate, we may need additional financing. Consequently, there can be no assurance that such financing, if permitted under the terms of Clear Channel's financing agreements, will be available on terms acceptable to us or at all. The inability to obtain additional financing in such circumstances could have a material adverse effect on our financial condition and on our ability to meet Clear Channel's obligations.

We frequently evaluate strategic opportunities both within and outside our existing lines of business. We expect from time to time to pursue additional acquisitions and may decide to dispose of certain businesses. These acquisitions or dispositions could be material.

We expect to be in compliance with the covenants contained in Clear Channel's material financing agreements in 2012, including the maximum consolidated senior secured net debt to consolidated EBITDA limitation contained in Clear Channel's senior secured credit facilities. However, our anticipated results are subject to significant uncertainty and our ability to comply with this limitation may be affected by events beyond our control, including prevailing economic, financial and industry conditions. The breach of any covenants set forth in Clear Channel's financing agreements would result in a default thereunder. An event of default would permit the lenders under a defaulted financing agreement to declare all indebtedness thereunder to be due and payable prior to maturity. Moreover, the lenders under the receivables based credit facility under Clear Channel's senior secured credit facilities would have the option to terminate their commitments to make further extensions of credit thereunder. If we are unable to repay Clear Channel's obligations under any secured credit facility, the lenders could proceed against any assets that were pledged to secure such facility. In addition, a default or acceleration under any of Clear Channel's material financing agreements could cause a default under other of our obligations that are subject to cross-default and cross-acceleration provisions. The threshold amount for a cross-default under the senior secured credit facilities is \$100.0 million.

## Sources of Capital

As of September 30, 2012 and December 31, 2011, we had the following debt outstanding, net of cash and cash equivalents:

| <i>(In millions)</i>  | September 30,<br>2012 | December 31,<br>2011 |
|---|-----------------------|----------------------|
| <b>Senior Secured Credit Facilities:</b>                    |                       |                      |
| Term Loan Facilities  | \$ 10,328.9           | \$ 10,493.8          |
| Revolving Credit Facility (1)                               | 10.0                  | 1,325.6              |
| Delayed Draw Term Loan Facilities                           | 961.4                 | 976.8                |
| Receivables Based Facility (2)                              | -                     | -                    |
| Priority Guarantee Notes                                    | 1,750.0               | 1,750.0              |
| Other Secured Subsidiary Debt                               | 26.6                  | 30.9                 |
| <b>Total Secured Debt</b>                                   | <b>13,076.9</b>       | <b>14,577.1</b>      |
| Senior Cash Pay Notes                                       | 796.3                 | 796.3                |
| Senior Toggle Notes   | 829.8                 | 829.8                |
| Clear Channel Senior Notes                                  | 1,748.5               | 1,998.4              |
| Subsidiary Senior Notes                                     | 2,500.0               | 2,500.0              |
| Subsidiary Senior Subordinated Notes                        | 2,200.0               | -                    |
| Other Clear Channel Subsidiary Debt                         | 15.9                  | 19.9                 |
| Purchase accounting adjustments and original issue discount | (429.6)               | (514.3)              |
| <b>Total Debt</b>   | <b>20,737.8</b>       | <b>20,207.2</b>      |
| Less: Cash and cash equivalents                             | 1,296.6               | 1,228.7              |
|   | <b>\$ 19,441.2</b>    | <b>\$ 18,978.5</b>   |

- (1) During the first quarter of 2012, Clear Channel prepaid \$1,918.1 million under its revolving credit facility, thereby permanently reducing the borrowing capacity to \$10.0 million, all of which was drawn as of September 30, 2012.
- (2) As of September 30, 2012, we had available under Clear Channel's receivables based facility an amount equal to the lesser of \$625 million (the revolving credit commitment) or the borrowing base amount, as defined under the receivables based facility and subject to certain limitations contained in Clear Channel's material financing agreements.

We and our subsidiaries have from time to time repurchased certain debt obligations of Clear Channel and our equity securities and equity securities of CCOH, and we may in the future, as part of various financing and investment strategies, purchase additional outstanding indebtedness of Clear Channel or its subsidiaries or our outstanding equity securities or outstanding equity securities of CCOH, in tender offers, open market purchases, privately negotiated transactions or otherwise. We may also sell certain assets or properties and use the proceeds to reduce our indebtedness. These purchases or sales, if any, could have a material positive or negative impact on our liquidity available to repay outstanding debt obligations or on our consolidated results of operations. These transactions could also require or result in amendments to the agreements governing outstanding debt obligations or changes in our

leverage or other financial ratios, which could have a material positive or negative impact on our ability to comply with the covenants contained in our debt agreements. These transactions, if any, will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors. The amounts involved may be material.

### ***Senior Secured Credit Facilities***

The senior secured credit facilities require Clear Channel to comply on a quarterly basis with a financial covenant limiting the ratio of consolidated secured debt, net of cash and cash equivalents, to consolidated EBITDA for the preceding four quarters. Clear Channel's secured debt consists of the senior secured credit facilities, the receivables-based credit facility, the priority guarantee notes and certain other secured subsidiary debt. Clear Channel's consolidated EBITDA for the preceding four quarters of \$1,992.8 million is calculated as operating income (loss) before depreciation, amortization, impairment charges and other operating income (expense) – net, plus non-cash compensation, and is further adjusted for the following items: (i) an increase of \$21.2 million for cash received from nonconsolidated affiliates; (ii) an increase of \$45.2 million for non-cash items; (iii) an increase of \$93.3 million related to costs incurred in connection with the closure and/or consolidation of facilities, retention charges, consulting fees and other permitted activities; and (iv) an increase of \$23.9 million for various other items. The maximum ratio under this financial covenant is currently set at 9.5:1 and becomes more restrictive over time beginning in the second quarter of 2013. At September 30, 2012, our ratio was 6.1:1.

### ***Subsidiary Senior Subordinated Notes Issuance***

During the first quarter of 2012, CCWH issued the Subordinated Notes. Interest on the Subordinated Notes is payable to the trustee weekly in arrears and to the noteholders on March 15 and September 15 of each year, beginning on September 15, 2012.

The Subordinated Notes are CCWH's senior subordinated obligations and are fully and unconditionally guaranteed, jointly and severally, on a senior subordinated basis by CCOH, its wholly-owned subsidiary Clear Channel Outdoor, Inc. ("CCOI"), and certain of CCOH's other domestic subsidiaries (collectively, the "Guarantors"). The Subordinated Notes are unsecured senior subordinated obligations that rank junior to all of CCWH's existing and future senior debt, including CCWH's outstanding senior notes, equally with any of CCWH's existing and future senior subordinated debt and ahead of all of CCWH's existing and future debt that expressly provides that it is subordinated to the Subordinated Notes. The guarantees of the Subordinated Notes rank junior to each Guarantor's existing and future senior debt, including CCWH's outstanding senior notes, equally with each Guarantor's existing and future senior subordinated debt and ahead of each Guarantor's existing and future debt that expressly provides that it is subordinated to the guarantees of the Subordinated Notes.

We capitalized \$40.0 million in fees and expenses associated with the Subordinated Notes offering and are amortizing them through interest expense over the life of the Subordinated Notes.

With the proceeds of the Subordinated Notes (net of the initial purchasers' discount of \$33.0 million), CCWH loaned an aggregate amount equal to \$2,167.0 million to CCOI. CCOI paid all other fees and expenses of the offering using cash on hand and, with the proceeds of the loans, distributed a special cash dividend to CCOH, which in turn distributed the CCOH Dividend on March 15, 2012 in an amount equal to \$6.0832 per share to its Class A and Class B stockholders of record at the close of business on March 12, 2012, including Clear Channel Holdings, Inc. ("CC Holdings") and CC Finco, LLC ("CC Finco"), our wholly-owned subsidiaries. Of the \$2,170.4 million CCOH Dividend, an aggregate of \$1,925.7 million was distributed to CC Holdings and CC Finco, with the remaining \$244.7 million distributed to other stockholders. As a result, we recorded a reduction of \$244.7 million in "Noncontrolling interest" on the consolidated balance sheet.

### ***2011 Clear Channel Refinancing Transactions***

In February 2011, Clear Channel amended its senior secured credit facilities and its receivables based facility and issued the Initial Notes. In June 2011, Clear Channel issued the Additional Notes at an issue price of 93.845% of the principal amount. The Initial Notes and the Additional Notes have identical terms and are treated as a single class.

We capitalized \$39.5 million in fees and expenses associated with the Initial Notes offering and are amortizing them through interest expense over the life of the Initial Notes. We capitalized an additional \$7.1 million in fees and expenses associated with the offering of the Additional Notes and are amortizing them through interest expense over the life of the Additional Notes.

Clear Channel used the proceeds of the Initial Notes offering to prepay \$500.0 million of the indebtedness outstanding under its senior secured credit facilities. The \$500.0 million prepayment was allocated on a ratable basis between outstanding term loans and revolving credit commitments under Clear Channel's revolving credit facility.

Clear Channel obtained, concurrent with the offering of the Initial Notes, amendments to its credit agreements with respect to its senior secured credit facilities and its receivables based facility (revolving credit commitments under the receivables based facility were reduced from \$783.5 million to \$625.0 million), which were required as a condition to complete the offering. The amendments, among other things, permit Clear Channel to request future extensions of the maturities of its senior secured credit facilities, provide Clear Channel with greater flexibility in the use of its accordion capacity, provide Clear Channel with greater flexibility to incur new debt, provided that the proceeds from such new debt are used to pay down senior secured credit facility indebtedness, and provide greater flexibility for CCOH and its subsidiaries to incur new debt, provided that the net proceeds distributed to Clear Channel from the issuance of such new debt are used to pay down senior secured credit facility indebtedness.

Of the \$703.8 million of proceeds from the issuance of the Additional Notes (\$750.0 million aggregate principal amount net of \$46.2 million of discount), Clear Channel used \$500 million for general corporate purposes (to replenish cash on hand that Clear Channel previously used to pay senior notes at maturity on March 15, 2011 and May 15, 2011) and used the remaining \$203.8 million to repay at maturity a portion of Clear Channel's 5% senior notes that matured in March 2012.

## **Uses of Capital**

### ***Debt Repayments, Maturities and Other***

In connection with the issuance of the Subordinated Notes, CCOH paid the \$2,170.4 million CCOH Dividend on March 15, 2012 to its Class A and Class B stockholders, consisting of \$1,925.7 million distributed to CC Holdings and CC Finco and \$244.7 million distributed to other stockholders. In connection with the Subordinated Notes issuance and CCOH Dividend, Clear Channel repaid indebtedness under its senior secured credit facilities in an amount equal to the aggregate amount of dividend proceeds distributed to CC Holdings and CC Finco, or \$1,925.7 million. Of this amount, a prepayment of \$1,918.1 million was applied to indebtedness outstanding under Clear Channel's revolving credit facility, thus permanently reducing the revolving credit commitments under Clear Channel's revolving credit facility to \$10.0 million. The remaining \$7.6 million prepayment was allocated on a pro rata basis to Clear Channel's term loan facilities.

In addition, on March 15, 2012, using cash on hand, Clear Channel made voluntary prepayments under its senior secured credit facilities in an aggregate amount equal to \$170.5 million, as follows: (i) \$16.2 million under its term loan A due 2014, (ii) \$129.8 million under its term loan B due 2016, (iii) \$10.0 million under its term loan C due 2016 and (iv) \$14.5 million under its delayed draw term loans due 2016. In connection with the prepayments on Clear Channel's senior secured credit facilities, we recorded a loss of \$15.2 million in "Other expense" related to the accelerated expensing of loan fees.

During March 2012, Clear Channel repaid its 5.0% senior notes at maturity for \$249.9 million (net of \$50.1 million principal amount repaid to a subsidiary of Clear Channel with respect to notes repurchased and held by such entity), plus accrued interest, using a portion of the proceeds from the 2011 offering of the Additional Notes, along with cash on hand.

During the first nine months of 2011, Clear Channel repaid its 6.25% senior notes at maturity for \$692.7 million (net of \$57.3 million principal amount repaid to a subsidiary of Clear Channel with respect to notes repurchased and held by such entity), plus accrued interest, using a portion of the proceeds from the 2011 offering of the Initial Notes, along with available cash on hand. Clear Channel also repaid its 4.4% senior notes at maturity for \$140.2 million (net of \$109.8 million principal amount repaid to a subsidiary of Clear Channel with respect to notes repurchased and held by such entity), plus accrued interest, with available cash on hand. Prior to, and in connection with the Additional Notes offering, Clear Channel repaid all amounts outstanding under its receivables based credit facility on June 8, 2011, using cash on hand. This voluntary repayment did not reduce the commitments under this facility and Clear Channel may reborrow amounts under this facility at any time. In addition, on June 27, 2011, Clear Channel made a voluntary payment of \$500.0 million on its revolving credit facility. Furthermore, CC Finco repurchased \$80.0 million aggregate principal amount of Clear Channel's outstanding 5.5% senior notes due 2014 for \$57.1 million, including accrued interest, through an open market purchase.

### **October 2012 Senior Secured Credit Facility Amendments**

On October 25, 2012, Clear Channel amended the terms of its senior secured credit facilities (the "Amendments"). The Amendments, among other things: permit exchange offers of term loans for new debt securities in an aggregate principal amount of up to \$5.0 billion; provide Clear Channel with greater flexibility to prepay tranche A term loans; following the repayment or extension of all tranche A term loans, permit below par non-pro rata purchases of term loans pursuant to customary Dutch auction procedures whereby all lenders of the class of term loans offered to be purchased will be offered an opportunity to participate; following the repayment or extension of all tranche A term loans, permits the repurchase of junior debt maturing before January 2016 with cash on hand in an amount not to exceed \$200 million; combine the term loan B, the delayed draw term loan 1 and the delayed draw term loan

2 under the senior secured credit facilities; preserve revolving credit facility capacity in the event Clear Channel repays all amounts outstanding under the revolving credit facility; and eliminate certain restrictions on the ability of CCOH and its subsidiaries to incur debt.

### October 2012 Refinancing Transaction

On October 25, 2012, Clear Channel exchanged \$2.0 billion aggregate principal amount of term loans under its senior secured credit facilities for a like principal amount of newly issued Clear Channel 9.0% priority guarantee notes due 2019 (the “Notes”). The exchange offer, which was offered to eligible existing lenders under Clear Channel’s senior secured credit facilities, was exempt from registration under the Securities Act of 1933, as amended.

The Notes are fully and unconditionally guaranteed, jointly and severally, on a senior basis by Clear Channel Capital I, LLC, and all of Clear Channel’s existing and future domestic wholly-owned restricted subsidiaries. The Notes and the related guarantees are secured by (1) a lien on (a) the capital stock of Clear Channel and (b) certain property and related assets that do not constitute “principal property” (as defined in the indenture governing certain existing senior notes of Clear Channel), in each case equal in priority to the liens securing the obligations under Clear Channel’s senior secured credit facilities and existing priority guarantee notes and (2) a lien on the accounts receivable and related assets securing Clear Channel’s receivables based credit facility junior in priority to the lien securing Clear Channel’s obligations thereunder. In addition to the collateral granted to secure the Notes, the collateral agent and the trustee for the Notes entered into an agreement with the administrative agent for the lenders under the senior secured credit facilities to turn over to the trustee under the Notes, for the benefit of the holders of the Notes, a pro rata share of any recovery received on account of the principal properties, subject to certain terms and conditions. We expect our interest expense will increase by approximately \$100.0 million as a result of this refinancing transaction. As a result of the refinancing transaction of term loan indebtedness under Clear Channel’s senior secured credit facilities, the scheduled repayment of remaining term loans that were not exchanged is revised as set forth below:

| <i>(In millions)</i> | Tranche A Term | Tranche B Term | Tranche C Term |
|----------------------|----------------|----------------|----------------|
| Year                 | Loan*          | Loan**         | Loan**         |
| 2013                 | \$ 71.4        | -              | \$ 2.8         |
| 2014                 | \$ 990.5       | -              | \$ 7.0         |
| 2015                 | -              | -              | \$ 3.4         |
| 2016                 | -              | \$ 7,714.8     | \$ 500.5       |
| Total                | \$ 1,061.9     | \$ 7,714.8     | \$ 513.7       |

\*Balance of Tranche A Term Loan is due July 30, 2014

\*\*Balance of Tranche B Term Loan and Tranche C Term Loan are due January 29, 2016

### Acquisitions

On April 29, 2011, we completed our traffic acquisition for \$24.3 million to add a complementary traffic operation to our existing traffic operations. Immediately after closing, the acquired subsidiaries repaid pre-existing, intercompany debt owed by the subsidiaries to the predecessor owner in the amount of \$95.0 million.

### Certain Relationships with the Sponsors

Clear Channel is party to a management agreement with certain affiliates of Bain Capital Partners, LLC and Thomas H. Lee Partners, L.P. (together, the “Sponsors”) and certain other parties pursuant to which such affiliates of the Sponsors will provide management and financial advisory services until 2018. These agreements require management fees to be paid to such affiliates of the Sponsors for such services at a rate not greater than \$15.0 million per year, plus reimbursable expenses. For the three months ended September 30, 2012 and 2011, we recognized management fees and reimbursable expenses of \$3.9 million and \$3.8 million, respectively. For the nine months ended September 30, 2012 and 2011, we recognized management fees and reimbursable expenses of \$11.9 million and \$11.8 million, respectively.

### Commitments, Contingencies and Guarantees

We are currently involved in certain legal proceedings arising in the ordinary course of business and, as required, have accrued our estimate of the probable costs for resolution of those claims for which the occurrence of loss is probable and the amount can be reasonably estimated. These estimates have been developed in consultation with counsel and are based upon an analysis of

potential results, assuming a combination of litigation and settlement strategies. It is possible, however, that future results of operations for any particular period could be materially affected by changes in our assumptions or the effectiveness of our strategies related to these proceedings.

## **SEASONALITY**

Typically, our CCME, Americas outdoor and International outdoor segments experience their lowest financial performance in the first quarter of the calendar year, with International outdoor historically experiencing a loss from operations in that period. Our International outdoor segment typically experiences its strongest performance in the second and fourth quarters of the calendar year. We expect this trend to continue in the future.

## **MARKET RISK**

We are exposed to market risks arising from changes in market rates and prices, including movements in interest rates, equity security prices and foreign currency exchange rates.

### **Equity Price Risk**

The carrying value of our available-for-sale equity securities is affected by changes in their quoted market prices. It is estimated that a 20% change in the market prices of these securities would change their carrying value and our comprehensive loss at September 30, 2012 by \$20.3 million.

### **Interest Rate Risk**

A significant amount of our long-term debt bears interest at variable rates. Accordingly, our earnings will be affected by changes in interest rates. At September 30, 2012 we had an interest rate swap agreement with a \$2.5 billion notional amount that effectively fixes interest rates on a portion of our floating rate debt at a rate of 4.4%, plus applicable margins, per annum. The fair value of this agreement at September 30, 2012 was a liability of \$102.2 million. At September 30, 2012, approximately 42% of our aggregate principal amount of long-term debt, including taking into consideration debt on which we have entered into a pay-fixed-rate-receive-floating-rate swap agreement, bears interest at floating rates.

Assuming the current level of borrowings and interest rate swap contracts and assuming a 30% change in LIBOR, it is estimated that our interest expense for the nine months ended September 30, 2012 would have changed by \$5.8 million.

In the event of an adverse change in interest rates, management may take actions to further mitigate its exposure. However, due to the uncertainty of the actions that would be taken and their possible effects, the preceding interest rate sensitivity analysis assumes no such actions. Further, the analysis does not consider the effects of the change in the level of overall economic activity that could exist in such an environment.

### **Foreign Currency Exchange Rate Risk**

We have operations in countries throughout the world. Foreign operations are measured in their local currencies. As a result, our financial results could be affected by factors such as changes in foreign currency exchange rates or weak economic conditions in the foreign markets in which we have operations. We believe we mitigate a small portion of our exposure to foreign currency fluctuations with a natural hedge through borrowings in currencies other than the U.S. dollar. Our foreign operations reported net gains of \$38.7 million and \$35.0 million for the three and nine months ended September 30, 2012, respectively. We estimate a 10% increase in the value of the U.S. dollar relative to foreign currencies would have decreased our net gains for the three and nine months ended September 30, 2012 by \$3.9 million and \$3.5 million, respectively. A 10% decrease in the value of the U.S. dollar relative to foreign currencies during the three and nine months ended September 30, 2012 would have increased our net gains by a corresponding amount.

This analysis does not consider the implications that such currency fluctuations could have on the overall economic activity that could exist in such an environment in the U.S. or the foreign countries or on the results of operations of these foreign entities.



## **Inflation**

Inflation is a factor in the economies in which we do business and we continue to seek ways to mitigate its effect. Inflation has affected our performance in terms of higher costs for wages, salaries and equipment. Although the exact impact of inflation is indeterminable, we believe we have offset these higher costs by increasing the effective advertising rates of most of our broadcasting stations and outdoor display faces.

## **CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS**

The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements made by us or on our behalf. Except for the historical information, this report contains various forward-looking statements which represent our expectations or beliefs concerning future events, including, without limitation, our future operating and financial performance, our ability to comply with the covenants in the agreements governing our indebtedness and the availability of capital and the terms thereof. Statements expressing expectations and projections with respect to future matters are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. We caution that these forward-looking statements involve a number of risks and uncertainties and are subject to many variables which could impact our future performance. These statements are made on the basis of management's views and assumptions, as of the time the statements are made, regarding future events and performance. There can be no assurance, however, that management's expectations will necessarily come to pass. We do not intend, nor do we undertake any duty, to update any forward-looking statements.

A wide range of factors could materially affect future developments and performance, including:

- the impact of our substantial indebtedness, including the effect of our leverage on our financial position and earnings;
- the need to allocate significant amounts of our cash flow to make payments on our indebtedness, which in turn could reduce our financial flexibility and ability to fund other activities;
- risks associated with a global economic downturn and its impact on capital markets;
- other general economic and political conditions in the United States and in other countries in which we currently do business, including those resulting from recessions, political events and acts or threats of terrorism or military conflicts;
- industry conditions, including competition;
- the level of expenditures on advertising;
- legislative or regulatory requirements;
- fluctuations in operating costs;
- technological changes and innovations;
- changes in labor conditions, including on-air talent, program hosts and management;
- capital expenditure requirements;
- risks of doing business in foreign countries;
- fluctuations in exchange rates and currency values;
- the outcome of pending and future litigation;
- changes in interest rates;
- taxes and tax disputes;
- shifts in population and other demographics;
- access to capital markets and borrowed indebtedness;
- our ability to implement our business strategies;
- the risk that we may not be able to integrate the operations of acquired businesses successfully;
- the risk that our cost savings initiatives may not be entirely successful or that any cost savings achieved from those initiatives may not persist; and
- certain other factors set forth in our other filings with the Securities and Exchange Commission.

This list of factors that may affect future performance and the accuracy of forward-looking statements is illustrative and is not intended to be exhaustive. Accordingly, all forward-looking statements should be evaluated with the understanding of their inherent uncertainty.

## **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

Required information is presented under "Market Risk" within Item 2 of this Part I.

#### **ITEM 4. CONTROLS AND PROCEDURES**

Under the supervision and with the participation of management, including our Chief Executive Officer and our Chief Financial Officer, we have carried out an evaluation of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act). Based on that evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that our disclosure controls and procedures were effective as of September 30, 2012 to ensure that information we are required to disclose in reports that are filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified by the SEC and is accumulated and communicated to our management, including our Chief Executive Officer and our Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

There were no changes in our internal control over financial reporting that occurred during the most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II -- OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS

We currently are involved in certain legal proceedings arising in the ordinary course of business and, as required, have accrued an estimate of the probable costs for the resolution of those claims for which the occurrence of loss is probable and the amount can be reasonably estimated. These estimates have been developed in consultation with counsel and are based upon an analysis of potential results, assuming a combination of litigation and settlement strategies. It is possible, however, that future results of operations for any particular period could be materially affected by changes in our assumptions or the effectiveness of our strategies related to these proceedings. Additionally, due to the inherent uncertainty of litigation, there can be no assurance that the resolution of any particular claim or proceeding would not have a material adverse effect on our financial condition or results of operations.

Although we are involved in a variety of legal proceedings in the ordinary course of business, a large portion of our litigation arises in the following contexts: commercial disputes; defamation matters; employment and benefits related claims; governmental fines; intellectual property claims; and tax disputes.

#### Brazil Litigation

On or about July 12, 2006 and April 12, 2007, two of our operating businesses (L&C Outdoor Ltda. (“L&C”) and Publicidad Klimes São Paulo Ltda. (“Klimes”), respectively) in the São Paulo, Brazil market received notices of infraction from the state taxing authority, seeking to impose a value added tax (“VAT”) on such businesses, retroactively for the period from December 31, 2001 through January 31, 2006. The taxing authority contends that these businesses fall within the definition of “communication services” and as such are subject to the VAT. L&C and Klimes filed separate petitions to challenge the imposition of this tax.

On August 8, 2011, Brazil’s National Council of Fiscal Policy (CONFAZ) published a convenio authorizing sixteen states, including the State of São Paulo, to issue an amnesty that would reduce the principal amount of VAT allegedly owed and reduce or waive related interest and penalties. The State of São Paulo ratified the amnesty in late August 2011. On May 10, 2012, the State of São Paulo published an amnesty decree that mirrors the convenio. Klimes and L&C accepted the amnesty on May 24, 2012 by making the aggregate required payment of \$10.9 million. On that same day, Klimes and L&C filed petitions to discontinue the tax litigation based on the amnesty payments.

#### Stockholder Litigation

Two derivative lawsuits were filed in March 2012 in Delaware Chancery Court by stockholders of CCOH, an indirect non-wholly owned subsidiary of Clear Channel, which is, in turn, an indirect wholly owned subsidiary of the Company. The consolidated lawsuits are captioned *In re Clear Channel Outdoor Holdings, Inc. Derivative Litigation*, Consolidated Case No. 7315-CS. The complaints name as defendants certain of Clear Channel’s and CCOH’s current and former directors and Clear Channel, as well as Bain Capital Partners, LLC and Thomas H. Lee Partners, L.P. CCOH also is named as a nominal defendant. The complaints allege, among other things, that in December 2009 Clear Channel breached fiduciary duties to CCOH and its stockholders by allegedly requiring CCOH to agree to amend the terms of a revolving promissory note payable by Clear Channel to CCOH to extend the maturity date of the note and to amend the interest rate payable on the note. According to the complaints, the terms of the amended promissory note were unfair to CCOH because, among other things, the interest rate was below market. The complaints further allege that Clear Channel was unjustly enriched as a result of that transaction. The complaints also allege that the director defendants breached fiduciary duties to CCOH in connection with that transaction and that the transaction constituted corporate waste. On April 4, 2012, the board of directors of CCOH formed a special litigation committee consisting of independent directors (the “SLC”) to review and investigate plaintiffs’ claims and determine the course of action that serves the best interests of CCOH and its stockholders. On June 20, 2012, the SLC filed a motion to stay the lawsuits for six months while it completes its review and investigation. In response, on June 27, 2012, plaintiffs filed a motion for an expedited trial, asking the Court to schedule a trial on the merits in October 2012. On July 23, 2012, the Court issued an order granting the motion to stay and denying the motion for an expedited trial.

### ITEM 1A. RISK FACTORS

For information regarding our risk factors, please refer to Item 1A in our Annual Report on Form 10-K for the year ended December 31, 2011 and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2012. There have not been any material changes in the risk factors disclosed in those reports.

## ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The following table sets forth the purchases made during the quarter ended September 30, 2012 by or on behalf of the Company or an affiliated purchaser of shares of our Class A common stock registered pursuant to Section 12 of the Exchange Act:

| Period                           | Total Number of Shares Purchased | Average Price Paid per Share | Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs | Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs |
|----------------------------------|----------------------------------|------------------------------|--|--|
| July 1 through July 31           | - \$                             | -                            | -  | (1)  |
| August 1 through August 31       | -                                | -                            | -  | (1)  |
| September 1 through September 30 | -                                | -                            | -  | (1)  |
| Total                            | - \$                             | -                            | - \$   | 82,934,423 (1)   |

- (1) On August 9, 2010, Clear Channel, an indirect subsidiary of the Company, announced that its board of directors approved a stock purchase program under which Clear Channel or its subsidiaries may purchase up to an aggregate of \$100 million of the Class A common stock of the Company and/or the Class A common stock of CCOH, an indirect subsidiary of Clear Channel. No shares of the Company's Class A common stock or CCOH's Class A common stock were purchased under the stock purchase program during the quarter ended September 30, 2012. During 2011, a subsidiary of Clear Channel purchased \$16,372,690 of the Class A common stock of CCOH (1,553,971 shares) in open market purchases. During the quarter ended June 30, 2012, a subsidiary of Clear Channel purchased \$692,887 of the Company's Class A common stock (111,291 shares) under the stock purchase program. As a result of these purchases of shares of the Company's Class A common stock and CCOH's Class A common stock, an aggregate of \$82,934,423 remains available under the stock purchase program to purchase the Class A common stock of the Company and/or the Class A common stock of CCOH. The stock purchase program does not have a fixed expiration date and may be modified, suspended or terminated at any time at Clear Channel's discretion.

## ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

## ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

## ITEM 5. OTHER INFORMATION

None.

## ITEM 6. EXHIBITS

| <b>Exhibit Number</b> | <b>Description</b>   |
|-----------------------|--|
| 10.1                  | Employment Agreement, effective as of January 24, 2012, between C. William Eccleshare and Clear Channel Outdoor Holdings, Inc. (incorporated by reference to Exhibit 10.1 to the Clear Channel Outdoor Holdings, Inc. Current Report on Form 8-K filed on July 27, 2012).  |
| 10.2                  | Form of Restricted Stock Unit Agreement under the Clear Channel Outdoor Holdings, Inc. 2012 Stock Incentive Plan, dated July 26, 2012, between C. William Eccleshare and Clear Channel Outdoor Holdings, Inc. (incorporated by reference to Exhibit 10.2 to the Clear Channel Outdoor Holdings, Inc. Current Report on Form 8-K filed on July 27, 2012). |
| 10.3*                 | Indemnification Agreement by and among CC Media Holdings, Inc., Clear Channel Communications, Inc. and Robert W. Pittman dated September 18, 2012.   |
| 10.4*                 | Indemnification Agreement by and among Clear Channel Outdoor Holdings, Inc. and Robert W. Pittman dated September 18, 2012.  |
| 10.5*                 | Indemnification Agreement by and among Clear Channel Outdoor Holdings, Inc. and Thomas W. Casey dated September 5, 2012.   |
| 10.6*                 | Indemnification Agreement by and among Clear Channel Outdoor Holdings, Inc. and Robert H. Walls, Jr. dated September 5, 2012.  |
| 11*                   | Statement re: Computation of Loss Per Share.   |
| 31.1*                 | Certification Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.   |
| 31.2*                 | Certification Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.   |
| 32.1**                | Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.  |
| 32.2**                | Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.  |
| 101***                | Interactive Data Files.  |

\* Filed herewith.

\*\* Furnished herewith.

\*\*\* In accordance with Rule 406T of Regulation S-T, these interactive data files are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, are deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and otherwise are not subject to liability under those sections.

**Signatures**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CC MEDIA HOLDINGS, INC.

November 2, 2012

/s/ SCOTT D. HAMILTON

Scott D. Hamilton

Senior Vice President, Chief Accounting Officer and Assistant Secretary

INDEMNIFICATION AGREEMENT

This Agreement, made and entered into this 18<sup>th</sup> day of September, 2012 (“Agreement”), by and among CC Media Holdings, Inc. (the “Company”), a Delaware corporation, Clear Channel Communications, Inc., a Texas corporation (“Opco”, and together with the Company, the “Clear Channel Companies” and each a “Clear Channel Company”), and Robert W. Pittman (“Indemnitee”):

WHEREAS, in light of the litigation costs and risks to directors and certain consultants, resulting from their service to companies, and the desire of the Clear Channel Companies to attract and retain qualified individuals to serve as directors or, in certain circumstances, as consultants it is reasonable, prudent and necessary for each of the Clear Channel Companies to indemnify and advance expenses on behalf of its directors and, in certain circumstances, its consultants to the extent permitted by applicable law so that they will serve or continue to serve the Clear Channel Companies free from undue concern regarding such risks;

WHEREAS, the Clear Channel Companies engaged Indemnitee as a consultant for the period from November 15, 2010 through October 1, 2011 and have requested that Indemnitee serve or continue to serve as a director of each of the Clear Channel Companies and may have requested or may in the future request that Indemnitee serve one or more Clear Channel Entities (as hereinafter defined) as a director or in other capacities;

WHEREAS, Indemnitee has served as a consultant and is willing to serve as a director of each of the Clear Channel Companies on the condition that he be so indemnified; and

WHEREAS, Indemnitee may have certain rights to indemnification, advancement of expenses and/or insurance provided by the Designating Stockholders (as hereinafter defined) (or their affiliates), which Indemnitee, the Clear Channel Companies and the Designating Stockholders (or their affiliates) intend to be secondary to the primary obligation of the Clear Channel Companies to indemnify Indemnitee as provided herein, with the Clear Channel Companies’ acknowledgement of and agreement to the foregoing being a material condition to Indemnitee’s willingness to serve as a consultant and as a director of each of the Clear Channel Companies;

NOW, THEREFORE, in consideration of the premises and the covenants contained herein, the Clear Channel Companies and Indemnitee do hereby covenant and agree as follows:

1. Services by Indemnitee. Indemnitee agreed to serve as a consultant and agrees to serve as a director of each of the Clear Channel Companies. Indemnitee may at any time and for any reason resign from such position(s) (subject to any contractual obligation under any other agreement or any obligation imposed by operation of law).
2. Indemnification - General. On the terms and subject to the conditions of this Agreement, the Clear Channel Companies shall indemnify Indemnitee with respect to, and hold Indemnitee harmless from and against, liabilities, losses, costs, Expenses (as hereinafter defined) and other matters that may result from or arise in connection with Indemnitee’s Corporate Status (as hereinafter defined) and shall advance Expenses to Indemnitee, to the fullest extent permitted by applicable law. The indemnification obligations of the Clear Channel Companies under this Agreement (a) are joint and several obligations of each Clear Channel Company, (b) shall continue after such time as Indemnitee ceases to serve as a director of the Clear Channel Companies or in any other Corporate Status including without limitation as a non-director advisor or consultant, and (c) include, without limitation, claims for monetary damages against Indemnitee in respect of any alleged breach of fiduciary duty, to the fullest extent permitted under applicable law (including, if applicable, Section 145 of the Delaware General Corporation Law) as in existence on the date hereof and as amended from time to time.
3. Proceedings Other Than Proceedings by or in the Right of the Clear Channel Companies. If by reason of Indemnitee’s Corporate Status Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding (as hereinafter defined) other than a Proceeding by or in the right of any of the Clear Channel Companies to procure a judgment in its favor, the Clear Channel Companies shall indemnify Indemnitee with respect to, and hold Indemnitee harmless from and against, all Expenses, liabilities, judgments, penalties, fines and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such liabilities, judgments, penalties, fines and amounts paid in settlement) reasonably incurred by Indemnitee or on behalf of Indemnitee in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in, or not opposed to, the best interests of the applicable Clear Channel Company and, with respect to any criminal Proceeding, had no reasonable cause to believe Indemnitee’s conduct was unlawful.
4. Proceedings by or in the Right of the Clear Channel Companies. If by reason of Indemnitee’s Corporate Status Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding by or in the right of any of the Clear Channel Companies to procure a judgment in its favor, the Clear Channel Companies shall indemnify Indemnitee with respect to, and

hold Indemnitee harmless from and against, all Expenses reasonably incurred by Indemnitee or on behalf of Indemnitee in connection with such Proceeding if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in, or not opposed to, the best interests of the applicable Clear Channel Company; provided, however, that indemnification against such Expenses shall be made in respect of any claim, issue or matter in such Proceeding as to which Indemnitee shall have been adjudged by a court of competent jurisdiction to be liable to the applicable Clear Channel Company only if (and only to the extent that) the Court of Chancery of the State of Delaware or the court in which such Proceeding shall have been brought or is pending shall determine that despite such adjudication of liability and in light of all circumstances such indemnification may be made.

5. Mandatory Indemnification in Case of Successful Defense. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee is, by reason of Indemnitee's Corporate Status, a party to (or a participant in) and is successful, on the merits or otherwise, in defense of any Proceeding (including, without limitation, any Proceeding brought by or in the right of any Clear Channel Company), the Clear Channel Companies shall indemnify Indemnitee with respect to, and hold Indemnitee harmless from and against, all Expenses reasonably incurred by Indemnitee or on behalf of Indemnitee in connection therewith. If Indemnitee is not wholly successful in defense of such Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Clear Channel Companies will indemnify Indemnitee against all Expenses reasonably incurred by Indemnitee or on behalf of Indemnitee in connection with each successfully resolved claim, issue or matter. For purposes of this Section 5 and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, on substantive or procedural grounds, shall be deemed to be a successful result as to such claim, issue or matter.
6. Partial Indemnification. If Indemnitee is entitled under any provision of this Agreement or otherwise to indemnification by the Clear Channel Companies for some or a portion of the Expenses, liabilities, judgments, penalties, fines and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such liabilities, judgments, penalties, fines and amounts paid in settlement) incurred by Indemnitee or on behalf of Indemnitee in connection with a Proceeding or any claim, issue or matter therein, but not, however, for the total amount thereof, the Clear Channel Companies shall indemnify Indemnitee for that portion thereof to which Indemnitee is entitled.
7. Indemnification for Additional Expenses Incurred to Secure Recovery or as Witness.
  - a. The Clear Channel Companies will indemnify Indemnitee with respect to, and hold Indemnitee harmless from and against, any and all Expenses and, if requested by Indemnitee, will (within twenty (20) calendar days of such request) advance such Expenses to Indemnitee, which are reasonably incurred by Indemnitee in connection with any action brought by Indemnitee for (i) indemnification or advance payment of Expenses by the Clear Channel Companies under this Agreement, any other agreement, the Certificate of Incorporation or By-laws of the applicable Clear Channel Company as now or hereafter in effect; or (ii) recovery under any director and officer liability insurance policies maintained by any Clear Channel Entity to the fullest extent permitted by law.
  - b. To the extent that Indemnitee is, by reason of Indemnitee's Corporate Status, a witness in any Proceeding to which Indemnitee is not a party, the Clear Channel Companies will indemnify Indemnitee with respect to, and hold Indemnitee harmless from and against, and the Clear Channel Companies will advance, all Expenses reasonably incurred by Indemnitee or on behalf of Indemnitee in connection therewith.
8. Advancement of Expense.
  - a. The Clear Channel Companies shall advance all Expenses reasonably incurred by or on behalf of Indemnitee in connection with the investigation, defense, settlement or appeal of any Proceeding within twenty (20) calendar days after the receipt by the Company of a statement or statements from Indemnitee requesting such advance or advances from time to time, whether prior to or after final disposition of such Proceeding. Such advances shall, in all events, be (i) unsecured and interest free; and (ii) made without regard to Indemnitee's ability to repay the advances.
  - b. To obtain advancement of Expenses under this Agreement, Indemnitee shall submit to the Company a written request for advancement of Expenses and, to the extent required by applicable law, an unsecured written undertaking by or on behalf of Indemnitee to repay any Expenses advanced if it shall ultimately be determined that Indemnitee is not entitled to be indemnified against such Expenses. Upon submission of such request for advancement of Expenses and unsecured written undertaking, Indemnitee shall be entitled to advancement of Expenses as provided in this Section 8, and such advancement of Expenses shall continue until such time (if any) as there is a final judicial determination that Indemnitee is not entitled to indemnification.



**9. Certain Agreements Related to Indemnification.**

- a. To obtain indemnification under this Agreement, Indemnitee shall submit to the Company a written request for indemnification at such time as determined by Indemnitee in Indemnitee's sole discretion.
- b. At any time after submission by Indemnitee of a request for indemnification pursuant to Section 9(a), either the Company or Indemnitee may petition the Court of Chancery of the State of Delaware for resolution of any objection to such request which may be made by the Company. The Clear Channel Companies will pay any and all Expenses reasonably incurred in connection with the investigation and resolution of such issues.
- c. Indemnitee shall have the sole right and obligation to control the defense or conduct of any claim or Proceeding with respect to Indemnitee. Indemnitee will not compromise or settle any claim or Proceeding, release any claim, or make any admission of fact, law, liability or damages with respect to any losses for which indemnification is sought hereunder without the prior written consent of applicable Clear Channel Company, which consent shall not be unreasonably withheld. None of the Clear Channel Companies will, with respect to any person or entity, settle any claim or Proceeding, release any claim, or make any admission of fact, law or liability or damages, or assign, pledge or permit any subrogation with respect to the foregoing, or permit any Clear Channel Entity to do any of the foregoing, to the extent such settlement, release, admission, assignment, pledge or subrogation in any way adversely affects Indemnitee or directly or indirectly imposes any expense, liability, damages, debt, obligation or judgment on Indemnitee.
- d. The parties intend and agree that, to the extent permitted by law, in connection with any determination with respect to entitlement to indemnification hereunder: (i) it will be presumed that Indemnitee is entitled to indemnification under this Agreement, and that the Clear Channel Entities or any other person or entity challenging such right will have the burden of proof to overcome that presumption in connection with the making by any person, persons or entity of any determination contrary to that presumption; (ii) the termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself, create a presumption that Indemnitee did not act in good faith and in a manner which Indemnitee reasonably believed to be in or not opposed to the best interests of the applicable Clear Channel Entity, and, with respect to any criminal action or proceeding, had reasonable cause to believe that Indemnitee's conduct was unlawful; (iii) Indemnitee will be deemed to have acted in good faith if Indemnitee's action is based on the records or books of account of the applicable Clear Channel Entity, including financial statements, or on information supplied to Indemnitee by the officers, employees, or committees of the board of directors of the applicable Clear Channel Entity, or on the advice of legal counsel for the applicable Clear Channel Entity or on information or records given in reports made to the applicable Clear Channel Entity by an independent certified public accountant or by an appraiser or other expert or advisor selected by the applicable Clear Channel Entity; and (iv) the knowledge and/or actions, or failure to act, of any director, officer, agent or employee of any of the Clear Channel Entities or relevant enterprises will not be imputed to Indemnitee in a manner that limits or otherwise adversely affects Indemnitee's rights hereunder. The provisions of this clause (d) shall not be deemed to be exclusive or to limit in any way the other circumstances in which Indemnitee may be deemed to have met the applicable standard of conduct set forth in this Agreement.
- e. Indemnitee agrees to notify the Company promptly upon being served with any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter which may be subject to indemnification or advancement of Expenses covered hereunder; provided, however, that any failure of Indemnitee to so notify the Company will not relieve the Clear Channel Companies of any obligation which they may have to Indemnitee under this Agreement or otherwise. If at the time of receipt of any such request for indemnification or notice the Clear Channel Companies have director and officer insurance policies in effect, the Clear Channel Companies will promptly notify the relevant insurers in accordance with the procedures and requirements of such policies.

**10. Other Rights of Recovery; Insurance; Subrogation, etc.**

- a. The rights of indemnification and to receive advancement of Expenses as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, under the Clear Channel Entities' Certificates of Incorporation or By-Laws, or under any other agreement, vote of stockholders or resolution of directors of any Clear Channel Entity, or otherwise. Indemnitee's rights under this Agreement are present contractual rights that fully vest upon Indemnitee's first service as a director or officer of any of the Clear Channel Companies. No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such

Indemnitee in Indemnitee's Corporate Status prior to such amendment, alteration or repeal. To the extent that a change in the General Corporation Law of the State of Delaware (or other applicable law), whether by statute or judicial decision, permits greater indemnification or advancement of Expenses than would be afforded currently under the Clear Channel Entities' Certificates of Incorporation or By-Laws and this Agreement, it is the intent of the parties hereto that Indemnitee enjoy by this Agreement the greater benefits so afforded by such change. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

- b. To the extent that any of the Clear Channel Entities maintains an insurance policy or policies providing liability insurance for directors, officers, advisors, consultants, other types of employees, fiduciaries, representatives, partners or agents of any Clear Channel Entity, Indemnitee shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage available for any director, officer, advisor, consultant, other type of employee, fiduciary, representative, partner or agent insured under such policy or policies.
- c. In the event of any payment by a Clear Channel Company under this Agreement, such Clear Channel Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee against any other Clear Channel Entity, and Indemnitee hereby agrees, as a condition to obtaining any advancement or indemnification from the Clear Channel Companies, to assign all of Indemnitee's rights to obtain from such other Clear Channel Entity such amounts to the extent that they have been paid to or for the benefit of Indemnitee as advancement or indemnification under this Agreement and are adequate to indemnify Indemnitee with respect to the costs, Expenses or other items to the full extent that Indemnitee is entitled to indemnification or other payment hereunder; and Indemnitee will (upon request by the Company) execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit or enforce such rights.
- d. Each of the Clear Channel Companies hereby unconditionally and irrevocably waives, relinquishes and releases, and covenants and agrees not to exercise (and to cause each of the other Clear Channel Entities not to exercise), any rights that such Clear Channel Company may now have or hereafter acquire against any Designating Stockholder (or former Designating Stockholder) or Indemnitee that arise from or relate to the existence, payment, performance or enforcement of the Clear Channel Companies' obligations under this Agreement or under any other indemnification agreement (whether pursuant to contract, bylaws or charter), including, without limitation, any right of subrogation, reimbursement, exoneration, contribution or indemnification and any right to participate in any claim or remedy of Indemnitee against any Designating Stockholder (or former Designating Stockholder) or Indemnitee, whether or not such claim, remedy or right arises in equity or under contract, statute or common law, including, without limitation, the right to take or receive from any Designating Stockholder (or former Designating Stockholder) or Indemnitee, directly or indirectly, in cash or other property or by set-off or in any other manner, payment or security on account of such claim, remedy or right.
- e. The Clear Channel Companies shall not be liable under this Agreement to pay or advance to Indemnitee any amounts otherwise indemnifiable hereunder if and to the extent that Indemnitee has otherwise actually received such payment under any insurance policy, contract, agreement or otherwise; provided, however, that (i) the Clear Channel Companies hereby agree that they are the indemnitors of first resort (i.e., their obligations to Indemnitee under this Agreement are primary and any obligation of any Designating Stockholder (or any affiliate thereof) to provide advancement or indemnification for the same Expenses, liabilities, judgments, penalties, fines and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses, liabilities, judgments, penalties, fines and amounts paid in settlement) incurred by Indemnitee are secondary), and (ii) if any Designating Stockholder (or any affiliate thereof other than a Clear Channel Entity) pays or causes to be paid, for any reason, any amounts otherwise indemnifiable hereunder or under any other indemnification agreement (whether pursuant to contract, bylaws or charter) with any director or officer of any Clear Channel Company, then (x) such Designating Stockholder (or such affiliate, as the case may be) shall be fully subrogated to all rights of Indemnitee with respect to such payment and (y) the Clear Channel Companies shall reimburse such Designating Stockholder (or such other affiliate) for the payments actually made. The Clear Channel Companies shall take any and all actions as may reasonably be requested by Indemnitee or any Designating Stockholder to cause director and officer liability insurance policies maintained by the Clear Channel Companies, and those maintained by any other applicable Clear Channel Entity, to be paid and exhausted to cover any Expenses, liabilities, judgments, penalties, fines and amounts paid in settlement (including all interest, assessments and other

charges paid or payable in connection with or in respect of such Expenses, liabilities, judgments, penalties, fines and amounts paid in settlement) that could be subject to indemnification hereunder before claims are made with respect to such matters under any director and officer liability insurance policies that may be maintained by any Designating Stockholder or any of their affiliates (other than affiliates that are Clear Channel Entities or subsidiaries thereof), it being understood and agreed that it is the intent of the parties that any such policies maintained by any Designating Stockholder or any of such other affiliates would be called upon to provide excess insurance coverage only to the extent of any failure of any liability insurance policies maintained by the Clear Channel Entities to make payment of any amounts for which coverage is also available under any liability insurance policies maintained by any Designating Stockholder or any of their affiliates (other than affiliates that are Clear Channel Entities or subsidiaries thereof).

- f. The Clear Channel Companies' obligation to indemnify or advance Expenses hereunder to Indemnitee in respect of or relating to Indemnitee's service at the request of any of the Clear Channel Companies as a director, officer, advisor, consultant, other type of employee, fiduciary, representative, partner or agent of any other Clear Channel Entity shall be reduced by any amount Indemnitee has actually received as payment of indemnification or advancement of Expenses from such other Clear Channel Entity, except to the extent that such indemnification payments and advance payment of Expenses when taken together with any such amount actually received from other Clear Channel Entities or under director and officer insurance policies maintained by one or more Clear Channel Entities are inadequate to fully pay all costs, Expenses or other items to the full extent that Indemnitee is entitled to indemnification or other payment hereunder.

11. Employment Rights; Successors; Third Party Beneficiaries.

- a. This Agreement shall not be deemed an employment contract between the Clear Channel Companies and Indemnitee. This Agreement shall continue in force as provided above after Indemnitee has ceased to serve the Clear Channel Companies as a director, officer or in other non-director capacities, including without limitation as an advisor or consultant.
- b. This Agreement shall be binding upon each of the Clear Channel Companies and their successors and assigns and shall inure to the benefit of Indemnitee and his heirs, executors and administrators.
- c. The Designating Stockholders are express third party beneficiaries of this Agreement, are entitled to rely upon this Agreement, and may specifically enforce the Clear Channel Companies' obligations hereunder (including but not limited to the obligations specified in Section 10 of this Agreement).

12. Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby; (b) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (c) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

13. Exception to Right of Indemnification or Advancement of Expenses. Except as provided in Section 7(a) of this Agreement or as may otherwise be agreed by any Clear Channel Company, Indemnitee shall not be entitled to indemnification or advancement of Expenses under this Agreement with respect to any Proceeding brought by Indemnitee (other than a Proceeding by Indemnitee by way of defense or to enforce his rights under this Agreement or under statute or other law including any rights under Section 145 of the Delaware General Corporation Law), unless the bringing of such Proceeding or making of such claim shall have been approved by the Board of Directors of the applicable Clear Channel Company.

14. Definitions. For purposes of this Agreement:

- a. "Abrams Funds" means Abrams Capital Partners I, LP, Abrams Capital Partners II, LP, Whitecrest Partners, LP, Abrams Capital International, Ltd. and Riva Capital Partners, LP, and any other investment fund or related management company or general partner that is an affiliate of any of the foregoing entities or that is advised by the same investment adviser as any of the foregoing entities or by an affiliate of such investment adviser.

- b. “Bain Entities” means Bain Capital Partners, LLC, a Delaware limited liability company, Bain Capital (CC) IX, L.P., Bain Capital (CC) IX Offshore, L.P., Bain Capital (CC) IX Coinvestment, L.P., Bain Capital (CC) IX Coinvestment Offshore, L.P. and Bain Capital CC Investors, L.P., Bain Capital (CC) X, L.P., Bain Capital (CC) X Offshore, L.P., Bain Capital (CC) X Coinvestment, L.P., Bain Capital (CC) X Coinvestment Offshore, L.P., and any other investment fund or related management company or general partner that is an affiliate of any of the foregoing entities or that is advised by the same investment adviser as any of the foregoing entities or by an affiliate of such investment adviser.
- c. “Board of Directors” refers to the board of directors of the Company.
- d. “Certificate of Incorporation” means, with respect to any entity, (i) in the case of the Company, its certificate of incorporation, (ii) in the case of Opco, its articles of incorporation, and (iii) in the case of any other entity, its certificate of incorporation, articles of incorporation or similar constating document.
- e. “Clear Channel Entity” means any Clear Channel Company, any of their respective subsidiaries and any other corporation, partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise with respect to which Indemnatee serves as a director, officer, advisor, consultant, other type of employee, partner, representative, fiduciary or agent, or in any similar capacity, at the request of any Clear Channel Company.
- f. “Corporate Status” describes the status of a person in his or her capacity as a director or officer of any of the Clear Channel Companies (including, without limitation, one who serves at the request of any of the Clear Channel Companies as a director, officer, employee, fiduciary or agent of any Clear Channel Entity), or in any other capacity in which he or she serves any of the Clear Channel Companies, including without limitation as a non-director advisor or consultant..
- g. “Designating Stockholder” means any of the Sponsors and any HF Fund, in each case so long as an individual designated (directly or indirectly) by the Sponsors or any HF Fund, or any of their respective affiliates (as provided by the Company’s Certificate of Incorporation, By-laws, Stockholders Agreement, the HF Voting Agreement and the limited liability company agreement of Clear Channel Capital IV, LLC), serves as a director of any Clear Channel Entity and shall also be deemed to include any Abrams Fund for so long as David Abrams serves as a director of any Clear Channel Entity.
- h. “Expenses” shall mean all reasonable costs, fees and expenses and shall specifically include all reasonable attorneys’ fees, retainers, court costs, transcript costs, fees and costs of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness, in, or otherwise participating in, a Proceeding, including, but not limited to, the premium for appeal bonds, attachment bonds or similar bonds and all interest, assessments and other charges paid or payable in connection with or in respect of any such Expenses.
- i. “HF Funds” means Highfields Capital I LP, a Delaware limited partnership, Highfields Capital II LP, a Delaware limited partnership, Highfields Capital III L.P., an exempted limited partnership organized under the laws of the Cayman Islands, B.W.I., and Highfields Capital Management LP, a Delaware limited partnership, and any other investment fund or related management company or general partner that is an affiliate of any of the foregoing entities or that is advised by the same investment adviser as any of the foregoing entities or by an affiliate of such investment adviser.
- j. “HF Voting Agreement” means the Amended and Restated Voting Agreement dated as of May 13, 2008 by and among the Company, the HF Funds and certain other parties.
- k. “Proceeding” includes any actual, threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened, pending or completed proceeding, whether brought by or in the right of any Clear Channel Company or otherwise and whether civil, criminal, administrative or investigative in nature, in which Indemnatee was, is, may be or will be involved as a party, witness or otherwise, by reason of Indemnatee’s Corporate Status or by reason of any action taken by him or of any inaction on his part while acting as director or officer of any Clear Channel Entity, or while serving any Clear Channel Entity in any other non-director capacities, including without limitation as an advisor or consultant (in each case whether or not he is acting or serving in any such capacity or has such status at the time any liability or expense is incurred for which indemnification or advancement of Expenses can be provided under this Agreement).

- l. “Sponsors” means, collectively, the Bain Entities and the THL Entities.
  - m. “Stockholders Agreement” means the Stockholders Agreement dated as of July 29, 2008 by and among the Company and certain of its stockholders, including Clear Channel Capital IV, LLC, Clear Channel Capital V, L.P. and certain other stockholders.
  - n. “Texas Acts” means the Business Corporation Act of the State of Texas and the Business Organization Code of the State of Texas.
  - o. “THL Entities” means THL Managers VI, LLC, a Delaware limited liability company, Thomas H. Lee Equity Fund VI, L.P., Thomas H. Lee Parallel Fund VI, L.P., Thomas H. Lee Parallel (DT) Fund VI, L.P. and THL Equity Fund VI Investors (Clear Channel), L.P., and any other investment fund or related management company or general partner that is an affiliate of any of the foregoing entities or that is advised by the same investment adviser as any of the foregoing entities or by an affiliate of such investment adviser.
15. Construction. Whenever required by the context, as used in this Agreement the singular number shall include the plural, the plural shall include the singular, and all words herein in any gender shall be deemed to include (as appropriate) the masculine, feminine and neuter genders.
16. Reliance; Integration.
- a. The Clear Channel Companies expressly confirm and agree that they have entered into this Agreement and assumed the obligations imposed on each of them hereby in order to induce Indemnitee to serve the Clear Channel Companies as a director and/or officer, or in other non-director capacities, including without limitation as an advisor or consultant, and the Clear Channel Companies acknowledge that Indemnitee is relying upon this Agreement in serving the Clear Channel Companies as a director and/or officer, or in other non-director capacities, including without limitation as an advisor or consultant.
  - b. This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof.
17. Modification and Waiver. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.
18. Notice Mechanics. All notices, requests, demands or other communications hereunder shall be in writing and shall be deemed to have been duly given if (i) delivered by hand and received for by the party to whom said notice or other communication shall have been direct, or (ii) mailed by certified or registered mail with postage prepaid, on the third business day after the date on which it is so mailed:

If to Indemnitee to:

Robert W. Pittman  
Clear Channel  
75 Rockefeller Plaza  
23rd Floor  
New York, NY 10019

With a copy to:

Marty Edelman  
Paul, Hastings, Janosky, Walker  
75 East 55th Street  
9th Floor  
New York, NY 10022

and to:

Robyn Transport  
TAG Associates  
75 Rockefeller Plaza  
9th Floor  
New York, NY 10019

If to any Clear Channel Company to:

CC Media Holdings, Inc.  
Clear Channel Communications, Inc.  
200 East Basse Road  
San Antonio, TX 78209  
Attn: General Counsel

With a copy to:

Kirkland & Ellis LLP  
300 North LaSalle  
Chicago, IL 60654  
Attn: James S. Rowe

or to such other address as may have been furnished (in the manner prescribed above) as follows: (a) in the case of a change in address for notices to Indemnitee, furnished by Indemnitee to the Company or Opco and (b) in the case of a change in address for notices to any Clear Channel Company, furnished by the Clear Channel Companies to Indemnitee.

19. Contribution. To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee for any reason whatsoever, the Clear Channel Companies, in lieu of indemnifying Indemnitee, shall contribute to the amount incurred by Indemnitee, whether for judgments, fines, penalties, excise taxes, amounts paid or to be paid in settlement and/or for reasonably incurred Expenses, in connection with any claim relating to an indemnifiable event under this Agreement, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such Proceeding in order to reflect (i) the relative benefits received by the Clear Channel Companies and Indemnitee as a result of the event(s) and/or transaction(s) giving cause to such Proceeding; and/or (ii) the relative fault of the Clear Channel Companies (and their other directors, officers, employees and agents) and Indemnitee in connection with such event(s) and/or transaction(s).
20. Governing Law; Submission to Jurisdiction; Appointment of Agent for Service of Process. This Agreement and the legal relations among the parties shall, to the fullest extent permitted by law, be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to its conflict of laws rules. The Clear Channel Companies and Indemnitee hereby irrevocably and unconditionally (i) agree that any action or proceeding arising out of or in connection

with this Agreement shall be brought only in the Chancery Court of the State of Delaware (the “Delaware Court”), and not in any other state or federal court in the United States of America or any court in any other country, (ii) consent to submit to the exclusive jurisdiction of the Delaware Court for purposes of any action or proceeding arising out of or in connection with this Agreement, (iii) waive any objection to the laying of venue of any such action or proceeding in the Delaware Court, and (iv) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Delaware Court has been brought in an improper or otherwise inconvenient forum.

21. Headings. The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.
22. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement.

*[Remainder of Page Intentionally Blank]*

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

**CC MEDIA HOLDINGS, INC.**

By:           /s/ Robert H. Walls, Jr.            
Name:  
Title:

**CLEAR CHANNEL COMMUNICATIONS, INC.**

By:           /s/ Robert H. Walls, Jr.            
Name:  
Title:

**INDEMNITEE:**

          /s/ Robert W. Pittman            
Name: Robert W. Pittman



## INDEMNIFICATION AGREEMENT

This Agreement is made and entered into this 18<sup>th</sup> day of September, 2012 (“Agreement”), by and between Clear Channel Outdoor Holdings, Inc., a Delaware corporation (“CCO”), and Robert Pittman (“Indemnitee”).

WHEREAS, in light of the litigation costs and risks to directors and/or officers resulting from their service to companies, and the desire of CCO to attract and retain qualified individuals to serve, it is reasonable, prudent and necessary for CCO to indemnify and advance expenses on behalf of its directors and certain of its officers to the extent permitted by applicable law so that they will serve or continue to serve CCO free from undue concern regarding such risks;

WHEREAS, CCO has requested that Indemnitee continue to serve as Executive Chairman of CCO and may have requested or may in the future request that Indemnitee serve one or more Outdoor Entities (as hereinafter defined) as a director, officer or in other capacities;

WHEREAS, Indemnitee may now or in the future have certain rights to indemnification, advancement of expenses and/or insurance provided by Pilot Group, LLC or an affiliate therefore (the “Fund”) or a Clear Channel Entity (as such term is defined in Section 15 of this Agreement), which Indemnitee, CCO and such other entities intend to be secondary to the primary obligation of CCO to indemnify Indemnitee as provided herein, with CCO’s acknowledgement of and agreement to the foregoing being a material condition to Indemnitee’s willingness to continue to serve as Executive Chairman of CCO (or as a director or officer of any other Outdoor Entity); and

WHEREAS, Indemnitee is willing to continue to serve as Executive Chairman of CCO on the condition that he be so indemnified.

NOW, THEREFORE, in consideration of the premises and the covenants contained herein, CCO and Indemnitee do hereby covenant and agree as follows:

1. Services by Indemnitee. Indemnitee agrees to continue to serve as Executive Chairman of CCO. Indemnitee may at any time and for any reason resign from such position.
2. Indemnification - General. On the terms and subject to the conditions of this Agreement, CCO shall, to the fullest extent permitted by law, indemnify Indemnitee with respect to, and hold Indemnitee harmless from and against, liabilities, losses, costs, Expenses (as hereinafter defined) and other matters that may result from or arise in connection with Indemnitee’s Corporate Status (as hereinafter defined) and shall advance Expenses to Indemnitee, in each case to the fullest extent permitted by applicable law in effect on the date hereof, and to such greater extent as applicable law may hereafter from time to time permit, notwithstanding that such indemnification or advances are not specifically authorized by other provisions of this Agreement. The indemnification obligations of CCO under this Agreement (a) shall continue after such time as Indemnitee ceases to serve as Executive Chairman of CCO or in any other Corporate Status and (b) include, without limitation, claims for monetary damages against Indemnitee in respect of any alleged breach of fiduciary duty, to the fullest extent permitted under applicable law (including, if applicable, Section 145 of the Delaware General Corporation Law) as in existence on the date hereof and as amended from time to time.
3. Proceedings Other Than Proceedings by or in the Right of CCO. If by reason of Indemnitee’s Corporate Status Indemnitee was, is, or is threatened to be made, a party to or a participant in any Proceeding (as

hereinafter defined) other than a Proceeding by or in the right of CCO to procure a judgment in its favor, CCO shall, to the fullest extent permitted by law, indemnify Indemnitee with respect to, and hold Indemnitee harmless from and against, all Expenses, liabilities, judgments, penalties, fines and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such liabilities, judgments, penalties, fines and amounts paid in settlement) reasonably incurred by Indemnitee or on behalf of Indemnitee in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in, or not opposed to, the best interests of CCO and, with respect to any criminal Proceeding, had no reasonable cause to believe Indemnitee's conduct was unlawful.

4. Proceedings by or in the Right of CCO. If by reason of Indemnitee's Corporate Status Indemnitee was, is, or is threatened to be made, a party to or a participant in any Proceeding by or in the right of CCO to procure a judgment in its favor, CCO shall, to the fullest extent permitted by law, indemnify Indemnitee with respect to, and hold Indemnitee harmless from and against, all Expenses reasonably incurred by Indemnitee or on behalf of Indemnitee in connection with such Proceeding if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in, or not opposed to, the best interests of CCO; provided, however, that indemnification against such Expenses shall be made in respect of any claim, issue or matter in such Proceeding as to which Indemnitee shall have been adjudged by a court of competent jurisdiction to be liable to CCO only if (and only to the extent that) the Court of Chancery of the State of Delaware or other court in which such Proceeding shall have been brought or is pending shall determine that despite such adjudication of liability and in light of all circumstances such indemnification may be made.
5. Mandatory Indemnification in Case of Successful Defense. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee is, by reason of Indemnitee's Corporate Status, a party to (or a participant in) and is successful, on the merits or otherwise, in defense of any Proceeding (including, without limitation, any Proceeding brought by or in the right of CCO), CCO shall, to the fullest extent permitted by law, indemnify Indemnitee with respect to, and hold Indemnitee harmless from and against, all Expenses reasonably incurred by Indemnitee or on behalf of Indemnitee in connection therewith. If Indemnitee is not wholly successful in defense of such Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, CCO shall, to the fullest extent permitted by law, indemnify Indemnitee against all Expenses reasonably incurred by Indemnitee or on behalf of Indemnitee in connection with each successfully resolved claim, issue or matter. For purposes of this Section 5 and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, on substantive or procedural grounds, shall be deemed to be a successful result as to such claim, issue or matter.
6. Partial Indemnification. If Indemnitee is entitled under any provision of this Agreement or otherwise to indemnification by CCO for some or a portion of the Expenses, liabilities, judgments, penalties, fines and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such liabilities, judgments, penalties, fines and amounts paid in settlement) incurred by Indemnitee or on behalf of Indemnitee in connection with a Proceeding or any claim, issue or matter therein, but not, however, for the total amount thereof, CCO shall, to the fullest extent permitted by law, indemnify Indemnitee for that portion thereof to which Indemnitee is entitled.

7. Indemnification for Additional Expenses Incurred to Secure Recovery or as Witness.

- (a) CCO will, to the fullest extent permitted by law, indemnify Indemnitee with respect to, and hold Indemnitee harmless from and against, any and all Expenses and, if requested by Indemnitee, will (within twenty (20) calendar days of such request) advance such Expenses to Indemnitee, which are reasonably incurred by Indemnitee in connection with any action concerning (i) indemnification or advance payment of Expenses by CCO under this Agreement, any other agreement, the Certificate of Incorporation or by-laws of CCO as now or hereafter in effect; or (ii) recovery under any director and officer liability insurance policies maintained by any Outdoor Entity or Clear Channel Entity (as hereinafter defined) to the fullest extent permitted by law.
- (b) To the extent that Indemnitee is, by reason of Indemnitee's Corporate Status, a witness in any Proceeding to which Indemnitee is not a party, CCO will, to the fullest extent permitted by law, indemnify Indemnitee with respect to, and hold Indemnitee harmless from and against, and CCO will advance, all Expenses reasonably incurred by Indemnitee or on behalf of Indemnitee in connection therewith.

8. Advancement of Expenses.

- (a) CCO shall advance, to the fullest extent permitted by law, all Expenses reasonably incurred by or on behalf of Indemnitee in connection with the investigation, defense, settlement or appeal of any Proceeding within twenty (20) calendar days after the receipt by CCO of a statement or statements from Indemnitee requesting such advance or advances from time to time, whether prior to or after final disposition of such Proceeding. Such advances shall, in all events, be (i) unsecured and interest free; and (ii) made without regard to Indemnitee's ability to repay the advances.
- (b) To obtain advancement of Expenses under this Agreement, Indemnitee shall submit to CCO a written request for advancement of Expenses and, to the extent required by applicable law, an unsecured written undertaking by or on behalf of Indemnitee to repay any Expenses advanced if it shall ultimately be determined that Indemnitee is not entitled to be indemnified against such Expenses. Upon submission of such request for advancement of Expenses and (if applicable) unsecured written undertaking, Indemnitee shall be entitled to advancement of Expenses as provided in this Section 8, and such advancement of Expenses shall continue until such time (if any) as there is a final judicial determination that Indemnitee is not entitled to indemnification.

9. Establishment of a Trust. CCO shall, upon written request of a majority of the Affiliate Directors (as hereinafter defined), create a trust for the benefit of Indemnitee (the "Trust") following initiation of a Proceeding for which Indemnitee reasonably believes that he may be entitled to indemnification by CCO under this Agreement. From time to time upon written request of Indemnitee, CCO shall fund such Trust within ninety (90) days of such request in an amount sufficient to satisfy any and all (a) Expenses reasonably anticipated at the time of each such request to be incurred by or on behalf of Indemnitee in connection with such Proceeding and (b) judgments, fines, penalties and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such judgments, fines, penalties and amounts paid in settlement) in connection with such Proceeding actually paid or claimed, reasonably anticipated or proposed to be paid, but, with respect to amounts described in this clause (b), only to the extent such amounts would not reasonably be expected to be

fully paid by CCO's directors' and officers' liability insurance coverage (including amounts below the deductible of any such policy). The trustee of the Trust (the "Trustee") shall be a bank or trust company or other individual or entity chosen by Indemnatee and reasonably acceptable to CCO. The amount or amounts to be deposited in the Trust pursuant to the foregoing funding obligation shall be determined by mutual agreement of Indemnatee and CCO. If Indemnatee and CCO are unable to reach an agreement on the amount or amounts to be deposited in the Trust pursuant to the foregoing funding obligation within a reasonable period of time not to exceed ten (10) business days, then such amount or amounts shall be as mutually agreed by Indemnatee and CC Media, or in the event that Indemnatee and CC Media are also unable to reach a mutual agreement on such amount or amounts within a reasonable period of time not to exceed ten (10) business days, then as determined by Independent Counsel (as hereinafter defined). The terms of the Trust shall provide that (a) the Trust shall not be revoked or the principal thereof invaded, without the written consent of Indemnatee; (b) the Trustee shall advance, within twenty (20) calendar days of a request by Indemnatee, any and all Expenses reasonably incurred by or on behalf of Indemnatee in connection with the investigation, defense, settlement or appeal of any Proceeding, any required determination concerning the reasonableness of the Expenses to be made by the Independent Counsel (and Indemnatee hereby agrees to reimburse the Trust under the circumstances in which Indemnatee would be required to reimburse CCO for Expenses advanced under Section 8(b) of this Agreement); (c) the Trust shall continue to be funded by CCO in accordance with the funding obligation set forth above; (d) the Trustee shall promptly pay to Indemnatee all amounts for which Indemnatee shall be entitled to indemnification pursuant to this Agreement; and (e) all unexpended funds in the Trust shall revert to CCO upon a final determination by Independent Counsel or the mutual agreement by CCO and Indemnatee that Indemnatee has been fully indemnified and held harmless under the terms of this Agreement. The Trust shall be governed by Delaware law (without regard to its conflicts of laws rules) and the Trustee shall consent to the exclusive jurisdiction of the Delaware Court in accordance with Section 21 of this Agreement. Nothing in this Section 9 shall relieve CCO of any of its obligations under this Agreement.

10. Indemnification Procedures.

- (a) Notice of Proceeding. Indemnatee agrees to notify CCO promptly upon being served with any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter which may be subject to indemnification or advancement of Expenses hereunder. Any failure by Indemnatee to so notify CCO will relieve the CCO of its advancement or indemnification obligations under this Agreement only to the extent CCO can establish that such omission to notify resulted in actual prejudice to it, and the omission to notify CCO will, in any event, not relieve CCO from any liability which it may have to indemnify Indemnatee otherwise than under this Agreement.
- (b) Defense; Settlement. Indemnatee shall have the sole right and obligation to control the defense or conduct of any claim or Proceeding with respect to Indemnatee. CCO will not, without the prior written consent of Indemnatee, which may be provided or withheld in Indemnatee's sole discretion, settle any claim or Proceeding, release any claim, or make any admission of fact, law or liability or damages, or assign, pledge or permit any subrogation with respect to the foregoing, or permit any Outdoor Entity to do any of the foregoing, to the extent such settlement, release, admission, assignment, pledge or subrogation in any way adversely affects Indemnatee or directly or indirectly imposes any expense, liability, damages, debt, obligation, judgment, exposure or burden on Indemnatee and further, in the case of any release or settlement, includes an unconditional release of Indemnatee from all liability on any matters that are the subject of

such Proceeding and an acknowledgment that Indemnitee denies all wrongdoing in connection with such matters.

- (c) Request for Advancement; Request for Indemnification.
- (i) To obtain advancement of Expenses under this Agreement, Indemnitee shall submit to CCO a written request therefor, together with such invoices or other supporting information as may be reasonably requested by CCO and reasonably available to Indemnitee, and, only to the extent required by applicable law which cannot be waived, an unsecured written undertaking to repay amounts advanced. CCO shall make advance payment of Expenses to Indemnitee no later than twenty (20) days after receipt of the written request for advancement (and each subsequent request for advancement) by Indemnitee.
- (ii) To obtain indemnification under this Agreement, at any time after submission of a request for advancement pursuant to Section 10(c)(i) of this Agreement, Indemnitee may submit a written request for indemnification hereunder. The time at which Indemnitee submits a written request for indemnification shall be determined by the Indemnitee in the Indemnitee's sole discretion. Once Indemnitee submits such a written request for indemnification (and only at such time that Indemnitee submits such a written request for indemnification), a Determination shall thereafter be made as provided in and only to the extent required by Section 10(d) of this Agreement. In no event shall a Determination be made, or required to be made, as a condition to or otherwise in connection with any advancement of Expenses pursuant to Section 8 and Section 10(c)(i) of this Agreement.
- (d) Determination. CCO agrees that Indemnitee shall be indemnified to the fullest extent permitted by law and that no Determination shall be required in connection with such indemnification unless specifically required by applicable law which cannot be waived. In no event shall a Determination be required in connection with indemnification for Expenses incurred as a witness pursuant to Section 7 of this Agreement or incurred in connection with any Proceeding or portion thereof with respect to which Indemnitee has been successful on the merits or otherwise. Any decision that a Determination is required by law in connection with any other indemnification of Indemnitee, and any such Determination, shall be made within thirty (30) days after receipt of Indemnitee's written request for indemnification pursuant to Section 10(c)(ii) and such Determination shall be made either (i) by the Disinterested Directors, even though less than a quorum, so long as Indemnitee does not request that such Determination be made by Independent Counsel, or (ii) if so requested by Indemnitee, in Indemnitee's sole discretion, by Independent Counsel in a written opinion to the CCO and Indemnitee. If a Determination is made that Indemnitee is entitled to indemnification, payment to Indemnitee shall be made within twenty (20) days after such Determination. Indemnitee shall reasonably cooperate with the person, persons or entity making such Determination with respect to Indemnitee's entitlement to indemnification, including providing to such person, persons or entity upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such Determination. Any Expenses incurred by Indemnitee in so cooperating with the Disinterested Directors or Independent Counsel, as the case may be, making such Determination shall be advanced and borne by CCO (irrespective of the Determination as to Indemnitee's entitlement to indemnification) and CCO shall indemnify and hold Indemnitee harmless therefrom.

- (e) Independent Counsel. In the event Indemnatee requests that the Determination be made by Independent Counsel pursuant to Section 10(d) of this Agreement, the Independent Counsel shall be selected as provided in this Section 10(e). The Independent Counsel shall be selected by Indemnatee (unless Indemnatee shall request that such selection be made by the Board of Directors of CCO (the “Board of Directors”), in which event the Board of Directors shall make such selection on behalf of CCO, subject to the remaining provisions of this Section 10(e)), and Indemnatee or CCO, as the case may be, shall give written notice to the other, advising CCO or Indemnatee of the identity of the Independent Counsel so selected. CCO or Indemnatee, as the case may be, may, within ten (10) days after such written notice of selection shall have been received, deliver to Indemnatee or CCO, as the case may be, a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of “Independent Counsel” as defined in this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Independent Counsel. If a written objection is so made and substantiated, the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or a court of competent jurisdiction has determined that such objection is without merit. If, within twenty (20) days after submission by Indemnatee of a written request for indemnification pursuant to Section 10(c)(ii) of this Agreement, no Independent Counsel shall have been selected and not objected to, either CCO or Indemnatee may petition a court of competent jurisdiction for resolution of any objection which shall have been made by CCO or Indemnatee to the other’s selection of Independent Counsel and/or for the appointment as Independent Counsel of a person selected by the court or by such other person as the court shall designate, and the person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel under Section 10(d) of this Agreement. Upon the due commencement of any judicial proceeding or arbitration pursuant to Section 10(f) of this Agreement, Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing). Any expenses incurred by Independent Counsel shall be borne by CCO (irrespective of the Determination of Indemnatee’s entitlement to indemnification) and not by Indemnatee.
- (f) Consequences of Determination; Remedies of Indemnatee. CCO shall be bound by and shall have no right to challenge a Favorable Determination. If an Adverse Determination is made, or if for any other reason CCO does not make timely indemnification payments or advances of Expenses, Indemnatee shall have the right to commence a Proceeding before a court of competent jurisdiction to challenge such Adverse Determination and/or to require CCO to make such payments or advances (and CCO shall have the right to defend its position in such Proceeding and to appeal any adverse judgment in such Proceeding). Indemnatee shall be entitled to be indemnified for all Expenses incurred in connection with such a Proceeding and to have such Expenses advanced by CCO in accordance with Section 8 of this Agreement. If Indemnatee fails to challenge an Adverse Determination, or if Indemnatee challenges an Adverse Determination and such Adverse Determination has been upheld by a final judgment of a court of competent jurisdiction from which no appeal can be taken, then, to the extent and only to the extent required by such Adverse Determination or final judgment, CCO shall not be obligated to indemnify or advance Expenses to Indemnatee under this Agreement.

- (g) Presumptions; Burden and Standard of Proof. The parties intend and agree that, to the extent permitted by law, in connection with any Determination with respect to Indemnitee's entitlement to indemnification hereunder by any person, including a court:
- (i) it will be presumed that Indemnitee is entitled to indemnification under this Agreement, and CCO or any other Outdoor Entity or other person or entity challenging such right will have the burden of proof to overcome that presumption in connection with the making by any person, persons or entity of any determination contrary to that presumption;
  - (ii) the termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself, create a presumption that Indemnitee did not act in good faith and in a manner which Indemnitee reasonably believed to be in or not opposed to the best interests of CCO or other applicable Outdoor Entity, and, with respect to any criminal action or proceeding, had reasonable cause to believe that Indemnitee's conduct was unlawful;
  - (iii) Indemnitee will be deemed to have acted in good faith if Indemnitee's action is based on the records or books of account of any Outdoor Entity, including financial statements, or on information supplied to Indemnitee by the officers, employees, or committees of the board of directors of the applicable Outdoor Entity, or on the advice of legal counsel for the applicable Outdoor Entity or for Indemnitee or on information or records given in reports made available to the applicable Outdoor Entity by an independent certified public accountant or by an appraiser or other expert or advisor selected by the applicable Outdoor Entity or Indemnitee; and
  - (iv) the knowledge and/or actions, or failure to act, of any director, officer, agent or employee of CCO or relevant enterprises will not be imputed to Indemnitee in a manner that limits or otherwise adversely affects Indemnitee's rights hereunder.

The provisions of this clause (g) shall not be deemed to be exclusive or to limit in any way the other circumstances in which Indemnitee may be deemed to have met the applicable standard of conduct set forth in this Agreement.

- (h) Indemnitee agrees to notify CCO promptly upon being served with any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter which may be subject to indemnification or advancement of Expenses covered hereunder; provided, however, that any failure of Indemnitee to so notify CCO will not relieve CCO of any obligation which it may have to Indemnitee under this Agreement or otherwise.

11. Other Rights of Recovery; Insurance; Subrogation, etc.

- (a) The rights of indemnification and to receive advancement of Expenses as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, under the Outdoor Entities' Certificates of Incorporation or by-laws, or under any other agreement, vote of stockholders or resolution of directors of any Outdoor Entity, or otherwise. Indemnitee's rights under this Agreement are present contractual rights that are fully vested. No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in Indemnitee's Corporate Status prior to such

amendment, alteration or repeal. To the extent that a change in the General Corporation Law of the State of Delaware (or other applicable law), whether by statute or judicial decision, permits greater indemnification or advancement of Expenses than would be afforded currently under the Outdoor Entities' Certificates of Incorporation or by-laws or this Agreement, it is the intent of the parties hereto that Indemnitee enjoy by this Agreement the greater benefits so afforded by such change. No right or remedy herein conferred to or for the benefit of Indemnitee is intended to be exclusive of any other right or remedy available to Indemnitee, and every such other right and remedy shall be cumulative and in addition to every other right and remedy of Indemnitee given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the Indemnitee's concurrent assertion or employment of any other right or remedy.

- (b) CCO shall promptly obtain and, during the time period Indemnitee serves CCO in a Corporate Status, maintain in full force and effect directors' and officers' liability insurance that shall:
- (i) be provided by an insurance company that is rated within the two highest categories by at least two of any of the following independent rating agencies: A.M. Best Company, Inc., Fitch Ratings, Moody's Investor Services or Standard & Poor's Insurance Ratings Services;
  - (ii) provide Indemnitee at least the same rights and benefits as are accorded to the most favorably insured of the directors of any Clear Channel Entity;
  - (iii) provide at least \$15,000,000 of non-rescindable director and officer liability coverage available solely to CCO directors and officers who are (i) an officer or employee of CCO or any other Outdoor Entity; or (ii) a director or officer of any Clear Channel Entity (provided that CCO shall not be required to expend in the aggregate in connection with the purchase of the coverage described in this clause (iii) an annual premium in excess of 115% of the annual premium for such coverage in effect on the date of this Agreement, and to the extent the annual premium for such coverage shall exceed such amount, CCO shall obtain the maximum amount of coverage as is available for such amount); and
  - (iv) not have any deductible or retention with respect to Indemnitee.

If, at the time CCO receives notice from any source of a Proceeding to which Indemnitee is a party or a participant (as a witness or otherwise), CCO has directors' and officers' liability insurance in effect, CCO shall give prompt notice of such Proceeding to the insurers in accordance with the procedures set forth in the respective policies. CCO shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of Indemnitee, all amounts payable as a result of such Proceeding in accordance with the terms of such policies.

- (c) If Indemnitee ceases to serve CCO in a Corporate Status for any reason, CCO shall procure a run-off directors' and officers' liability insurance policy with respect to claims arising from facts or events that occurred before the time Indemnitee ceased to serve CCO in a Corporate Status and covering Indemnitee, which policy, without any lapse in coverage, will provide coverage for a period of six (6) years after the time Indemnitee ceased to serve CCO in a Corporate Status and will provide coverage (including amount and type of coverage and size of deductibles) that is



substantially comparable to CCO's directors' and officers' liability insurance policy that was most protective of Indemnitee in the twelve (12) months preceding the time Indemnitee ceased to serve CCO in a Corporate Status (but in any event will provide coverage at least as protective as the coverage required pursuant to Section 11(b) of this Agreement); provided, however, that:

- (i) this obligation shall be suspended during the period immediately following the time Indemnitee ceases to serve CCO in a Corporate Status if and only so long as CCO has a directors' and officers' liability insurance policy in effect covering Indemnitee for such claims that, if it were a run-off policy, would meet or exceed the foregoing standards, but in any event this suspension period shall end when a Change in Control occurs; and
  - (ii) no later than the end of the suspension period provided in the preceding clause (i) (whether because of failure to have a policy meeting the foregoing standards or because a Change in Control occurs), CCO shall procure a run-off directors' and officers' liability insurance policy meeting the foregoing standards and lasting for the remainder of the six-year period.
- (d) In the event of any payment by CCO under this Agreement, CCO shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee against any other Outdoor Entity (other than any Clear Channel Entity that might otherwise happen to fall within the definition of Outdoor Entity hereunder), and Indemnitee hereby agrees, as a condition to obtaining any advancement or indemnification from CCO, to assign all of Indemnitee's rights to obtain from such other Outdoor Entity such amounts to the extent that they have been paid to or for the benefit of Indemnitee as advancement or indemnification under this Agreement and are adequate to indemnify Indemnitee with respect to the costs, Expenses or other items to the full extent that Indemnitee is entitled to indemnification or other payment hereunder; and Indemnitee will (upon request by CCO) execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable CCO to bring suit or enforce such rights against any such other Outdoor Entity (except to the extent that such payment by CCO when taken together with any such amount actually received from other Outdoor Entities or under director and officer insurance policies maintained by one or more Outdoor Entities are inadequate to fully pay all costs, Expenses or other items to the full extent that Indemnitee is entitled to indemnification or other payment hereunder).
- (e) CCO hereby unconditionally and irrevocably waives, relinquishes and releases, and covenants and agrees not to exercise (and to cause each of the other Outdoor Entities not to exercise), any rights that CCO may now have or hereafter acquire against any Clear Channel Entity or the Fund that arise from or relate to the existence, payment, performance or enforcement of CCO's obligations under this Agreement or under any other indemnification agreement (whether pursuant to contract, bylaws or charter), including, without limitation, any right of subrogation (whether pursuant to contract or common law), reimbursement, exoneration, contribution or indemnification and any right to participate in any claim or remedy of Indemnitee against any Clear Channel Entity or the Fund, whether or not such claim, remedy or right arises in equity or under contract, statute or common law, including, without limitation, the right to take or receive from any Clear Channel Entity or the Fund or Indemnitee, directly or indirectly, in cash or other property or by set-off or in any other manner, payment or security on account of such claim, remedy or right.

- (f) CCO shall not be liable under this Agreement to pay or advance to Indemnitee any amounts otherwise indemnifiable hereunder if and to the extent that Indemnitee has otherwise actually received such payment under any insurance policy, contract agreement maintained by any Outdoor Entity; provided, however, that CCO hereby agrees that (relative to the Clear Channel Entities, the Fund and any insurance maintained by any of them) CCO (either directly or through insurance maintained by CCO) is the indemnitor of first resort to provide advancement or indemnification under this Agreement, under any similar agreement of any Outdoor Entity or under any corporate charter, bylaw, similar governing document or other undertaking (i.e., CCO's obligations to Indemnitee under this Agreement or any other agreement or undertaking to provide advancement and/or indemnification to Indemnitee are primary and any obligation of any Clear Channel Entity (including any affiliate thereof other than an Outdoor Entity) or the Fund to provide advancement or indemnification for the same Expenses, liabilities, judgments, penalties, fines and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses, liabilities, judgments, penalties, fines and amounts paid in settlement) incurred by Indemnitee is secondary to CCO's obligations), and if any Clear Channel Entity (or any affiliate thereof other than an Outdoor Entity) or the Fund pays or causes to be paid, for any reason, any amounts otherwise indemnifiable hereunder or under any other indemnification agreement (whether pursuant to contract, by-laws or charter) with Indemnitee, then (x) the Fund or such Clear Channel Entity (or affiliate) shall be fully subrogated to all rights of Indemnitee with respect to such payment and (y) CCO shall fully indemnify, reimburse and hold harmless (and shall cause the other Outdoor Entities to fully indemnify, reimburse and hold harmless) the Fund or such Clear Channel Entity, as the case may be, for all such payments actually made by the Fund or such Clear Channel Entity.
- (g) CCO's obligation to indemnify or advance Expenses hereunder to Indemnitee in respect of or relating to Indemnitee's service at the request of CCO as a director, officer, employee, fiduciary, representative, partner or agent of any other Outdoor Entity shall be reduced by any amount Indemnitee has actually received as payment of indemnification or advancement of Expenses from such other Outdoor Entity, except to the extent that such indemnification payments and advance payment of Expenses when taken together with any such amount actually received from other Outdoor Entities or under director and officer insurance policies maintained by one or more Outdoor Entities are inadequate to fully pay all costs, Expenses or other items to the full extent that Indemnitee is entitled to indemnification or other payment hereunder.

12. Employment Rights; Successors; Third Party Beneficiaries.

- (a) This Agreement shall not be deemed an employment contract between CCO and Indemnitee. This Agreement shall continue in force as provided above after Indemnitee has ceased to serve as Executive Chairman of CCO.
- (b) This Agreement shall be binding upon CCO and its successors and assigns and shall inure to the benefit of Indemnitee and his or her heirs, executors and administrators.

13. Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself

invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby; (b) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (c) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

14. Exception to Right of Indemnification or Advancement of Expenses. Except as provided in Section 7(a) and Section 7(b) of this Agreement or as may otherwise be agreed by CCO, Indemnitee shall not be entitled to indemnification or advancement of Expenses under this Agreement with respect to any Proceeding brought by Indemnitee (other than a Proceeding by Indemnitee (i) by way of defense or counterclaim, (ii) to enforce his or her rights under this Agreement or (iii) to enforce any other rights of Indemnitee for indemnification, advancement or contribution from CCO under any other contract, by-law, charter provision, statute or other law including any rights under Section 145 of the Delaware General Corporation Law), unless the bringing of such Proceeding or making of such claim shall have been approved by the Board of Directors.
15. Definitions. For purposes of this Agreement:
- (a) Affiliate Director” means a director of CCO who is also (i) an officer or employee of CCO or any other Outdoor Entity; or (ii) a director, officer or employee of any Clear Channel Entity; or (iii) who is otherwise a Sponsor Designee or a Mays Executive.
  - (b) Beneficial Owner” or Beneficial Ownership” shall have the meanings set forth in Rule 13d-3 promulgated under the Exchange Act (as hereinafter defined) as in effect on the date hereof.
  - (c) Certificate of Incorporation” means, with respect to any entity, its certificate of incorporation, articles of incorporation or similar governing document.
  - (d) Change in Control” means any of the following events:
    - (i) The acquisition in one or more transactions by any “person” (as the term person is used for purposes of Section 13(d) or 14(d) of the Exchange Act), other than the Clear Channel Entities (as hereinafter defined), of Beneficial Ownership of shares representing at least a majority of the total voting power of the Voting Stock (as hereinafter defined); or
    - (ii) Consummation by CCO, in a single transaction or series of related transactions, of (A) a merger or consolidation involving CCO if the stockholders of CCO immediately prior to such merger or consolidation do not own, directly or indirectly, immediately following such merger or consolidation, at least a majority of the total voting power of the outstanding voting securities of the entity resulting from such merger or consolidation or (B) a sale, conveyance, lease, license, exchange or transfer (for cash, shares of stock, securities or other consideration) of a majority or more of the assets or earning power of CCO.
- Notwithstanding the foregoing, a Change in Control” shall not be deemed to occur solely because a majority or more of the total voting power of the Voting Stock is acquired by (A) a trustee or other fiduciary holding securities under one or more employee benefit plans maintained by CCO or any of its subsidiaries or (B) any

corporation that, immediately prior to such acquisition, is owned directly or indirectly by the stockholders of CCO in the same proportion as their ownership of stock in CCO immediately prior to such acquisition.

- (e) “Clear Channel Entities” means any one or more of (i) CC Media Holdings, Inc. (“CC Media”); (ii) any corporation, partnership, joint venture, association or other entity of which CC Media is the Beneficial Owner (directly or indirectly) of 20% or more of the outstanding voting stock, voting power, partnership interests or similar voting interests; and (iii) any other corporation, partnership, joint venture, association or other entity that is controlled by CC Media, controls CC Media or is under common control with CC Media; provided, however, that in no event shall “Clear Channel Entities” include (A) CCO, (B) any corporation, partnership, joint venture, association or other entity of which CCO is the Beneficial Owner (directly or indirectly) of 20% or more of the outstanding voting stock, voting power, partnership interests or similar voting interests or (C) any other corporation, partnership, joint venture, association or other entity that is controlled by CCO. For purposes of this definition of “Clear Channel Entities,” the term “control” (including the terms “controlling,” “controlled by” and “under common control with”) means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of an entity, whether through the ownership of voting securities, by contract, or otherwise.
- (f) “Corporate Status” describes the status of a person in his or her capacity as a director or officer of CCO (including, without limitation, one who serves at the request of CCO as a director, officer, employee, fiduciary or agent of any Outdoor Entity).
- (g) “Determination” means a determination that either (x) there is a reasonable basis for the conclusion that indemnification of Indemnitee is proper in the circumstances because Indemnitee met a particular standard of conduct (a “Favorable Determination”) or (y) there is no reasonable basis for the conclusion that indemnification of Indemnitee is proper in the circumstances because Indemnitee met a particular standard of conduct (an “Adverse Determination”). An Adverse Determination shall include the decision that a Determination was required in connection with indemnification and the decision as to the applicable standard of conduct.
- (h) “Disinterested Director” means a director of CCO who is not (at the time of the vote) and was not a party to the Proceeding in respect of which indemnification is sought by Indemnitee.
- (i) “Exchange Act” means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.
- (j) “Expenses” shall mean all reasonable costs, fees and expenses and shall specifically include all reasonable attorneys’ fees, retainers, court costs, transcript costs, fees and costs of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness, in, or otherwise participating in, a Proceeding, including, but not limited to, the premium for appeal bonds, attachment bonds or similar bonds and all interest, assessments and other charges paid or payable in connection with or in respect of any such Expenses. Should any payment by CCO under this Agreement be determined to be subject to any federal, state or local income or excise tax, “Expenses” shall also include such

amounts as are necessary to place Indemnitee in the same after-tax position (after giving effect to all applicable taxes) as Indemnitee would have been in had no such tax been determined to apply to such payments.

- (k) “Independent Counsel” means a law firm, a member of a law firm or an independent legal practitioner that (a) is experienced in matters of corporation law, (b) is reasonably acceptable to Indemnitee and (c) neither contemporaneously is, nor in the five (5) years theretofore has been, retained to represent (i) CCO or Indemnitee in any matter material to either such party, (other than as Independent Counsel under this Agreement or similar agreements); (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder; or (iii) the Beneficial Owner, directly or indirectly, of securities of CCO representing five percent or more of the combined voting power of CCO’s then outstanding shares, unless Indemnitee in its sole discretion waives any of the requirements set forth in clauses (i), (ii) and (iii) of this clause (c). Notwithstanding the foregoing, the term “Independent Counsel” shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either CCO or Indemnitee in an action to determine Indemnitee’s rights under this Agreement.
- (l) “Mays Executive” means either or both of Mark P. Mays and Randall T. Mays.
- (m) “Outdoor Entity” means CCO, any of its subsidiaries and any other corporation, partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise with respect to which Indemnitee serves as a director, officer, employee, partner, representative, fiduciary or agent, or in any similar capacity, at the request of CCO.
- (n) “Proceeding” includes any actual, threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened, pending or completed proceeding, whether brought by or in the right of CCO or otherwise and whether civil, criminal, administrative or investigative in nature, in which Indemnitee was, is, may be or will be involved as a party, witness or otherwise, by reason of Indemnitee’s Corporate Status or by reason of any action taken by him or of any inaction on his or her part while acting as director or officer of any Outdoor Entity (in each case whether or not he is acting or serving in any such capacity or has such status at the time any liability or expense is incurred for which indemnification or advancement of Expenses can be provided under this Agreement).
- (o) “Sponsor Designee” means any person who is an officer, director, shareholder, member, manager, partner or employee of any of: (i) Bain Capital Partners, LLC (“BCP”) Thomas H. Lee Partners, L.P. (“THL”), or (ii) any investment fund or management company affiliated with either of those entities, or (iii) any Sponsor Entity (other than Sponsor Entities that are comprised solely of Clear Channel Entities or Outdoor Entities), or (iv) any successor to any of the foregoing entities.
- (p) “Sponsor Entity” means any one or more of (i) BCP; (ii) THL; (iii) any corporation, partnership, joint venture, association or other entity of which BCP or THL is (directly or indirectly, and whether individually or in the aggregate) the Beneficial Owner (including, without limitation, ownership through one or more investment funds or other entities that are controlled by, controlling or under common control with BCP or THL or any of their respective affiliates) of

20% or more of the outstanding voting stock, voting power, partnership interests or similar voting interests; and (iv) any other corporation, partnership, joint venture, association or other entity that is controlled by BCP or THL, controls BCP or THL or is under common control with BCP or THL (whether individually or collectively); provided, however, that for purposes hereof in no event shall "Sponsor Entities" include (A) CCO or any other Outdoor Entity, (B) any Clear Channel Entity. For purposes of this definition of "Sponsor Entity," the term "control" (including the terms "controlling," "controlled by" and "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of an entity, whether through the ownership of voting securities, by contract, or otherwise.

(q) "Voting Stock" means the shares of all classes of the then-outstanding capital stock of CCO entitled to vote generally in the election of directors.

16. Construction. Whenever required by the context, as used in this Agreement the singular number shall include the plural, the plural shall include the singular, and all words herein in any gender shall be deemed to include (as appropriate) the masculine, feminine and neuter genders.

17. Reliance; Integration.

(a) CCO expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to induce Indemnitee to continue to serve as Executive Chairman of CCO, and CCO acknowledges that Indemnitee is relying upon this Agreement in serving as Executive Chairman of CCO.

(b) Subject to Section 11(a), this Agreement constitutes the entire agreement between CCO and Indemnitee with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between CCO and Indemnitee with respect to the subject matter hereof; provided, however, that (i) nothing herein is intended or shall be construed to limit any rights that the Indemnitee may have under any other agreement or instrument (including, without limitation, any charter, by-law or other governing document of, or any agreement with, any Outdoor Entity or any Clear Channel Entity) and (ii) in the event of any inconsistency between the provisions of Sections 11(d), 11(e) and 11(f), on the one hand, and the provisions of any other agreement or instrument (including, without limitation, any charter, by-law or other governing document of, or any agreement with, any Outdoor Entity or any Clear Channel Entity), on the other hand, the provisions of Sections 11(d), 11(e) and 11(f) shall control and supersede such inconsistent provisions of other such other agreements or instruments.

18. Modification and Waiver. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

19. Notice Mechanics. All notices, requests, demands or other communications hereunder shall be in writing and shall be deemed to have been duly given if (a) delivered by hand and receipted for by the party to whom said notice or other communication shall have been direct, or (b) mailed by certified or registered mail with postage prepaid, on the third business day after the date on which it is so mailed:

a. If to Indemnitee to:

Robert W. Pittman  
Clear Channel  
75 Rockefeller Plaza  
23<sup>rd</sup> Floor  
New York, NY 10019

with a copy to:

Marty Edelman  
Paul, Hastings, Janosky, Walker  
75 East 55th Street  
9th Floor  
New York, NY 10022

and a copy to:

Robyn Transport  
TAG Associates  
75 Rockefeller Plaza  
9th Floor  
New York, NY 10019

b. If to CCO, to:

Clear Channel Outdoor Holdings, Inc.  
200 East Basse Road  
San Antonio, TX 78209  
Attn: General Counsel

with a copy to:

Kirkland & Ellis LLP  
300 N. LaSalle  
Chicago, Illinois 60654  
Attn: Jon A. Ballis, P.C. and James S. Rowe

or to such other address as may have been furnished (in the manner prescribed above) as follows: (a) in the case of a change in address for notices to Indemnitee, furnished by Indemnitee to CCO and (b) in the case of a change in address for notices to CCO, furnished by CCO to Indemnitee.

20. Contribution. To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee for any reason whatsoever, CCO, in lieu of indemnifying Indemnitee, shall contribute to the amount incurred by Indemnitee, whether for judgments, fines, penalties, excise taxes, amounts paid or to be paid in settlement and/or for reasonably incurred Expenses, in connection with any claim relating to an indemnifiable event under this Agreement, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such Proceeding in

order to reflect (a) the relative benefits received by CCO and Indemnitee as a result of the event(s) and/or transaction(s) giving cause to such Proceeding; and/or (b) the relative fault of CCO (and its other directors, officers, employees and agents) and Indemnitee in connection with such event(s) and/or transaction(s).

21. Governing Law; Submission to Jurisdiction; Appointment of Agent for Service of Process. This Agreement and the legal relations among the parties shall, to the fullest extent permitted by law, be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to its conflict of laws rules. CCO and Indemnitee hereby irrevocably and unconditionally (a) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Chancery Court of the State of Delaware (the "Delaware Court"), and not in any other state or federal court in the United States of America or any court in any other country, (b) consent to submit to the exclusive jurisdiction of the Delaware Court for purposes of any action or proceeding arising out of or in connection with this Agreement, (c) waive any objection to the laying of venue of any such action or proceeding in the Delaware Court, and (d) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Delaware Court has been brought in an improper or otherwise inconvenient forum.
22. Headings. The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.
23. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement.

*[Remainder of Page Intentionally Blank]*



IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

**CLEAR CHANNEL OUTDOOR HOLDINGS, INC.:**

By: /s/ Robert H. Walls, Jr.

Name:

Title:

**INDEMNITEE:**

/s/ Robert W. Pittman

Name:

## INDEMNIFICATION AGREEMENT

This Agreement is made and entered into this 5th day of September, 2012 (“Agreement”), by and between Clear Channel Outdoor Holdings, Inc., a Delaware corporation (“CCO”), and Thomas W. Casey (“Indemnitee”).

WHEREAS, in light of the litigation costs and risks to officers resulting from their service to companies, and the desire of CCO to attract and retain qualified individuals to serve as officers, it is reasonable, prudent and necessary for CCO to indemnify and advance expenses on behalf of certain of its officers to the extent permitted by applicable law so that they will serve or continue to serve CCO free from undue concern regarding such risks;

WHEREAS, CCO has requested that Indemnitee continue to serve in one or more functions as an officer of CCO and may have requested or may in the future request that Indemnitee serve one or more Outdoor Entities (as hereinafter defined) as an officer or in other capacities;

WHEREAS, Indemnitee may have certain rights to indemnification, advancement of expenses and/or insurance provided by a Clear Channel Entity (as such term is defined in Section 15 of this Agreement), which Indemnitee, CCO and such other entities intend to be secondary to the primary obligation of CCO to indemnify Indemnitee as provided herein, with CCO’s acknowledgement of and agreement to the foregoing being a material condition to Indemnitee’s willingness to continue to serve as an officer of CCO (or of any other Outdoor Entity); and

WHEREAS, Indemnitee is willing to continue to serve as an officer of CCO on the condition that he be so indemnified.

NOW, THEREFORE, in consideration of the premises and the covenants contained herein, CCO and Indemnitee do hereby covenant and agree as follows:

1. Services by Indemnitee. Indemnitee agrees to continue to serve as an officer of CCO. Indemnitee may at any time and for any reason resign from such position.
2. Indemnification - General. On the terms and subject to the conditions of this Agreement, CCO shall, to the fullest extent permitted by law, indemnify Indemnitee with respect to, and hold Indemnitee harmless from and against, liabilities, losses, costs, Expenses (as hereinafter defined) and other matters that may result from or arise in connection with Indemnitee’s Corporate Status (as hereinafter defined) and shall advance Expenses to Indemnitee, in each case to the fullest extent permitted by applicable law in effect on the date hereof, and to such greater extent as applicable law may hereafter from time to time permit, notwithstanding that such indemnification or advances are not specifically authorized by other provisions of this Agreement. The indemnification obligations of CCO under this Agreement (a) shall continue after such time as Indemnitee ceases to serve as an officer of CCO or in any other Corporate Status and (b) include, without limitation, claims for monetary damages against Indemnitee in respect of any alleged breach of fiduciary duty, to the fullest extent permitted under applicable law (including, if applicable, Section 145 of the Delaware General Corporation Law) as in existence on the date hereof and as amended from time to time.
3. Proceedings Other Than Proceedings by or in the Right of CCO. If by reason of Indemnitee’s Corporate Status Indemnitee was, is, or is threatened to be made, a party to or a participant in any Proceeding (as hereinafter defined) other than a Proceeding by or in the right of CCO to procure a judgment in its favor, CCO shall, to the fullest extent permitted by law, indemnify Indemnitee with respect to, and hold

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Indemnitee harmless from and against, all Expenses, liabilities, judgments, penalties, fines and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such liabilities, judgments, penalties, fines and amounts paid in settlement) reasonably incurred by Indemnitee or on behalf of Indemnitee in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in, or not opposed to, the best interests of CCO and, with respect to any criminal Proceeding, had no reasonable cause to believe Indemnitee's conduct was unlawful.

4. Proceedings by or in the Right of CCO. If by reason of Indemnitee's Corporate Status Indemnitee was, is, or is threatened to be made, a party to or a participant in any Proceeding by or in the right of CCO to procure a judgment in its favor, CCO shall, to the fullest extent permitted by law, indemnify Indemnitee with respect to, and hold Indemnitee harmless from and against, all Expenses reasonably incurred by Indemnitee or on behalf of Indemnitee in connection with such Proceeding if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in, or not opposed to, the best interests of CCO; provided, however, that indemnification against such Expenses shall be made in respect of any claim, issue or matter in such Proceeding as to which Indemnitee shall have been adjudged by a court of competent jurisdiction to be liable to CCO only if (and only to the extent that) the Court of Chancery of the State of Delaware or other court in which such Proceeding shall have been brought or is pending shall determine that despite such adjudication of liability and in light of all circumstances such indemnification may be made.
5. Mandatory Indemnification in Case of Successful Defense. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee is, by reason of Indemnitee's Corporate Status, a party to (or a participant in) and is successful, on the merits or otherwise, in defense of any Proceeding (including, without limitation, any Proceeding brought by or in the right of CCO), CCO shall, to the fullest extent permitted by law, indemnify Indemnitee with respect to, and hold Indemnitee harmless from and against, all Expenses reasonably incurred by Indemnitee or on behalf of Indemnitee in connection therewith. If Indemnitee is not wholly successful in defense of such Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, CCO shall, to the fullest extent permitted by law, indemnify Indemnitee against all Expenses reasonably incurred by Indemnitee or on behalf of Indemnitee in connection with each successfully resolved claim, issue or matter. For purposes of this Section 5 and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, on substantive or procedural grounds, shall be deemed to be a successful result as to such claim, issue or matter.
6. Partial Indemnification. If Indemnitee is entitled under any provision of this Agreement or otherwise to indemnification by CCO for some or a portion of the Expenses, liabilities, judgments, penalties, fines and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such liabilities, judgments, penalties, fines and amounts paid in settlement) incurred by Indemnitee or on behalf of Indemnitee in connection with a Proceeding or any claim, issue or matter therein, but not, however, for the total amount thereof, CCO shall, to the fullest extent permitted by law, indemnify Indemnitee for that portion thereof to which Indemnitee is entitled.
7. Indemnification for Additional Expenses Incurred to Secure Recovery or as Witness.
  - (a) CCO will, to the fullest extent permitted by law, indemnify Indemnitee with respect to, and hold Indemnitee harmless from and against, any and all Expenses and, if requested by Indemnitee, will (within twenty (20) calendar days of such request) advance such Expenses to Indemnitee, which are reasonably incurred by Indemnitee in connection with any action concerning (i) indemnification or advance payment of Expenses by CCO under this Agreement, any other

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agreement, the Certificate of Incorporation or by-laws of CCO as now or hereafter in effect; or (ii) recovery under any director and officer liability insurance policies maintained by any Outdoor Entity or Clear Channel Entity (as hereinafter defined) to the fullest extent permitted by law.

- (b) To the extent that Indemnitee is, by reason of Indemnitee's Corporate Status, a witness in any Proceeding to which Indemnitee is not a party, CCO will, to the fullest extent permitted by law, indemnify Indemnitee with respect to, and hold Indemnitee harmless from and against, and CCO will advance, all Expenses reasonably incurred by Indemnitee or on behalf of Indemnitee in connection therewith.

### 8. Advancement of Expenses.

- (a) CCO shall advance, to the fullest extent permitted by law, all Expenses reasonably incurred by or on behalf of Indemnitee in connection with the investigation, defense, settlement or appeal of any Proceeding within twenty (20) calendar days after the receipt by CCO of a statement or statements from Indemnitee requesting such advance or advances from time to time, whether prior to or after final disposition of such Proceeding. Such advances shall, in all events, be (i) unsecured and interest free; and (ii) made without regard to Indemnitee's ability to repay the advances.

- (b) To obtain advancement of Expenses under this Agreement, Indemnitee shall submit to CCO a written request for advancement of Expenses and, to the extent required by applicable law, an unsecured written undertaking by or on behalf of Indemnitee to repay any Expenses advanced if it shall ultimately be determined that Indemnitee is not entitled to be indemnified against such Expenses. Upon submission of such request for advancement of Expenses and (if applicable) unsecured written undertaking, Indemnitee shall be entitled to advancement of Expenses as provided in this Section 8, and such advancement of Expenses shall continue until such time (if any) as there is a final judicial determination that Indemnitee is not entitled to indemnification.

- 9. Establishment of a Trust. CCO shall, upon written request of a majority of the officers of CCO who are party to indemnification agreements with CCO, create a trust for the benefit of Indemnitee (the "Trust") following initiation of a Proceeding for which Indemnitee reasonably believes that he may be entitled to indemnification by CCO under this Agreement. From time to time upon written request of Indemnitee, CCO shall fund such Trust within ninety (90) days of such request in an amount sufficient to satisfy any and all (a) Expenses reasonably anticipated at the time of each such request to be incurred by or on behalf of Indemnitee in connection with such Proceeding and (b) judgments, fines, penalties and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such judgments, fines, penalties and amounts paid in settlement) in connection with such Proceeding actually paid or claimed, reasonably anticipated or proposed to be paid, but, with respect to amounts described in this clause (b), only to the extent such amounts would not reasonably be expected to be fully paid by CCO's directors' and officers' liability insurance coverage (including amounts below the deductible of any such policy). The trustee of the Trust (the "Trustee") shall be a bank or trust company or other individual or entity chosen by Indemnitee and reasonably acceptable to CCO. The amount or amounts to be deposited in the Trust pursuant to the foregoing funding obligation shall be determined by mutual agreement of Indemnitee and CCO. If Indemnitee and CCO are unable to reach an agreement on the amount or amounts to be deposited in the Trust pursuant to the foregoing funding obligation within a reasonable period of time not to exceed ten (10) business days, then such amount or amounts shall be as mutually agreed by Indemnitee and CC Media, or in the event that Indemnitee and CC Media are also unable to reach a mutual agreement on such amount or

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amounts within a reasonable period of time not to exceed ten (10) business days, then as determined by Independent Counsel (as hereinafter defined). The terms of the Trust shall provide that (a) the Trust shall not be revoked or the principal thereof invaded, without the written consent of Indemnitee; (b) the Trustee shall advance, within twenty (20) calendar days of a request by Indemnitee, any and all Expenses reasonably incurred by or on behalf of Indemnitee in connection with the investigation, defense, settlement or appeal of any Proceeding, any required determination concerning the reasonableness of the Expenses to be made by the Independent Counsel (and Indemnitee hereby agrees to reimburse the Trust under the circumstances in which Indemnitee would be required to reimburse CCO for Expenses advanced under Section 8(b) of this Agreement); (c) the Trust shall continue to be funded by CCO in accordance with the funding obligation set forth above; (d) the Trustee shall promptly pay to Indemnitee all amounts for which Indemnitee shall be entitled to indemnification pursuant to this Agreement; and (e) all unexpended funds in the Trust shall revert to CCO upon a final determination by Independent Counsel or the mutual agreement by CCO and Indemnitee that Indemnitee has been fully indemnified and held harmless under the terms of this Agreement. The Trust shall be governed by Delaware law (without regard to its conflicts of laws rules) and the Trustee shall consent to the exclusive jurisdiction of the Delaware Court in accordance with Section 21 of this Agreement. Nothing in this Section 9 shall relieve CCO of any of its obligations under this Agreement.

### 10. Indemnification Procedures.

- (a) Notice of Proceeding. Indemnitee agrees to notify CCO promptly upon being served with any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter which may be subject to indemnification or advancement of Expenses hereunder. Any failure by Indemnitee to so notify CCO will relieve the CCO of its advancement or indemnification obligations under this Agreement only to the extent CCO can establish that such omission to notify resulted in actual prejudice to it, and the omission to notify CCO will, in any event, not relieve CCO from any liability which it may have to indemnify Indemnitee otherwise than under this Agreement.
- (b) Defense; Settlement. Indemnitee shall have the sole right and obligation to control the defense or conduct of any claim or Proceeding with respect to Indemnitee. CCO will not, without the prior written consent of Indemnitee, which may be provided or withheld in Indemnitee's sole discretion, settle any claim or Proceeding, release any claim, or make any admission of fact, law or liability or damages, or assign, pledge or permit any subrogation with respect to the foregoing, or permit any Outdoor Entity to do any of the foregoing, to the extent such settlement, release, admission, assignment, pledge or subrogation in any way adversely affects Indemnitee or directly or indirectly imposes any expense, liability, damages, debt, obligation, judgment, exposure or burden on Indemnitee and further, in the case of any release or settlement, includes an unconditional release of Indemnitee from all liability on any matters that are the subject of such Proceeding and an acknowledgment that Indemnitee denies all wrongdoing in connection with such matters.
- (c) Request for Advancement; Request for Indemnification.
  - (i) To obtain advancement of Expenses under this Agreement, Indemnitee shall submit to CCO a written request therefor, together with such invoices or other supporting information as may be reasonably requested by CCO and reasonably available to Indemnitee, and, only to the extent required by applicable law which cannot be waived, an unsecured written undertaking to repay amounts advanced. CCO shall make advance payment of Expenses to Indemnitee no later than twenty (20) days after receipt of the

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written request for advancement (and each subsequent request for advancement) by Indemnitee.

- (ii) To obtain indemnification under this Agreement, at any time after submission of a request for advancement pursuant to Section 10(c)(i) of this Agreement, Indemnitee may submit a written request for indemnification hereunder. The time at which Indemnitee submits a written request for indemnification shall be determined by the Indemnitee in the Indemnitee's sole discretion. Once Indemnitee submits such a written request for indemnification (and only at such time that Indemnitee submits such a written request for indemnification), a Determination shall thereafter be made as provided in and only to the extent required by Section 10(d) of this Agreement. In no event shall a Determination be made, or required to be made, as a condition to or otherwise in connection with any advancement of Expenses pursuant to Section 8 and Section 10(c)(i) of this Agreement.
- (d) Determination. CCO agrees that Indemnitee shall be indemnified to the fullest extent permitted by law and that no Determination shall be required in connection with such indemnification unless specifically required by applicable law which cannot be waived. In no event shall a Determination be required in connection with indemnification for Expenses incurred as a witness pursuant to Section 7 of this Agreement or incurred in connection with any Proceeding or portion thereof with respect to which Indemnitee has been successful on the merits or otherwise. Any decision that a Determination is required by law in connection with any other indemnification of Indemnitee, and any such Determination, shall be made within thirty (30) days after receipt of Indemnitee's written request for indemnification pursuant to Section 10(c)(ii) and such Determination shall be made either (i) by the Disinterested Directors, even though less than a quorum, so long as Indemnitee does not request that such Determination be made by Independent Counsel, or (ii) if so requested by Indemnitee, in Indemnitee's sole discretion, by Independent Counsel in a written opinion to the CCO and Indemnitee. If a Determination is made that Indemnitee is entitled to indemnification, payment to Indemnitee shall be made within twenty (20) days after such Determination. Indemnitee shall reasonably cooperate with the person, persons or entity making such Determination with respect to Indemnitee's entitlement to indemnification, including providing to such person, persons or entity upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such Determination. Any Expenses incurred by Indemnitee in so cooperating with the Disinterested Directors or Independent Counsel, as the case may be, making such Determination shall be advanced and borne by CCO (irrespective of the Determination as to Indemnitee's entitlement to indemnification) and CCO shall indemnify and hold Indemnitee harmless therefrom.
- (e) Independent Counsel. In the event Indemnitee requests that the Determination be made by Independent Counsel pursuant to Section 10(d) of this Agreement, the Independent Counsel shall be selected as provided in this Section 10(e). The Independent Counsel shall be selected by Indemnitee (unless Indemnitee shall request that such selection be made by the Board of Directors of CCO (the "Board of Directors"), in which event the Board of Directors shall make such selection on behalf of CCO, subject to the remaining provisions of this Section 10(e)), and Indemnitee or CCO, as the case may be, shall give written notice to the other, advising CCO or Indemnitee of the identity of the Independent Counsel so selected. CCO or Indemnitee, as the case may be, may, within ten (10) days after such written notice of selection shall have been received, deliver to Indemnitee or CCO, as the case may be, a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the Independent

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Counsel so selected does not meet the requirements of “Independent Counsel” as defined in this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Independent Counsel. If a written objection is so made and substantiated, the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or a court of competent jurisdiction has determined that such objection is without merit. If, within twenty (20) days after submission by Indemnitee of a written request for indemnification pursuant to Section 10(c)(ii) of this Agreement, no Independent Counsel shall have been selected and not objected to, either CCO or Indemnitee may petition a court of competent jurisdiction for resolution of any objection which shall have been made by CCO or Indemnitee to the other’s selection of Independent Counsel and/or for the appointment as Independent Counsel of a person selected by the court or by such other person as the court shall designate, and the person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel under Section 10(d) of this Agreement. Upon the due commencement of any judicial proceeding or arbitration pursuant to Section 10(f) of this Agreement, Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing). Any expenses incurred by Independent Counsel shall be borne by CCO (irrespective of the Determination of Indemnitee’s entitlement to indemnification) and not by Indemnitee.

- (f) Consequences of Determination; Remedies of Indemnitee. CCO shall be bound by and shall have no right to challenge a Favorable Determination. If an Adverse Determination is made, or if for any other reason CCO does not make timely indemnification payments or advances of Expenses, Indemnitee shall have the right to commence a Proceeding before a court of competent jurisdiction to challenge such Adverse Determination and/or to require CCO to make such payments or advances (and CCO shall have the right to defend its position in such Proceeding and to appeal any adverse judgment in such Proceeding). Indemnitee shall be entitled to be indemnified for all Expenses incurred in connection with such a Proceeding and to have such Expenses advanced by CCO in accordance with Section 8 of this Agreement. If Indemnitee fails to challenge an Adverse Determination, or if Indemnitee challenges an Adverse Determination and such Adverse Determination has been upheld by a final judgment of a court of competent jurisdiction from which no appeal can be taken, then, to the extent and only to the extent required by such Adverse Determination or final judgment, CCO shall not be obligated to indemnify or advance Expenses to Indemnitee under this Agreement.
- (g) Presumptions; Burden and Standard of Proof. The parties intend and agree that, to the extent permitted by law, in connection with any Determination with respect to Indemnitee’s entitlement to indemnification hereunder by any person, including a court:
- (i) it will be presumed that Indemnitee is entitled to indemnification under this Agreement, and CCO or any other Outdoor Entity or other person or entity challenging such right will have the burden of proof to overcome that presumption in connection with the making by any person, persons or entity of any determination contrary to that presumption;
  - (ii) the termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself, create a presumption that Indemnitee did not act in good faith and in a manner which Indemnitee reasonably believed to be in or not opposed to the best interests of CCO or other applicable Outdoor Entity, and, with respect to any criminal action or proceeding, had reasonable cause to believe that Indemnitee’s conduct was unlawful;

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- (iii) Indemnitee will be deemed to have acted in good faith if Indemnitee's action is based on the records or books of account of any Outdoor Entity, including financial statements, or on information supplied to Indemnitee by the officers, employees, or committees of the board of directors of the applicable Outdoor Entity, or on the advice of legal counsel for the applicable Outdoor Entity or for Indemnitee or on information or records given in reports made available to the applicable Outdoor Entity by an independent certified public accountant or by an appraiser or other expert or advisor selected by the applicable Outdoor Entity or Indemnitee; and
- (iv) the knowledge and/or actions, or failure to act, of any director, officer, agent or employee of CCO or relevant enterprises will not be imputed to Indemnitee in a manner that limits or otherwise adversely affects Indemnitee's rights hereunder.

The provisions of this clause (g) shall not be deemed to be exclusive or to limit in any way the other circumstances in which Indemnitee may be deemed to have met the applicable standard of conduct set forth in this Agreement.

- (h) Indemnitee agrees to notify CCO promptly upon being served with any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter which may be subject to indemnification or advancement of Expenses covered hereunder; provided, however, that any failure of Indemnitee to so notify CCO will not relieve CCO of any obligation which it may have to Indemnitee under this Agreement or otherwise.

### 11. Other Rights of Recovery; Insurance; Subrogation, etc.

- (a) The rights of indemnification and to receive advancement of Expenses as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, under the Outdoor Entities' Certificates of Incorporation or by-laws, or under any other agreement, vote of stockholders or resolution of directors of any Outdoor Entity, or otherwise. Indemnitee's rights under this Agreement are present contractual rights that are fully vested. No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in Indemnitee's Corporate Status prior to such amendment, alteration or repeal. To the extent that a change in the General Corporation Law of the State of Delaware (or other applicable law), whether by statute or judicial decision, permits greater indemnification or advancement of Expenses than would be afforded currently under the Outdoor Entities' Certificates of Incorporation or by-laws or this Agreement, it is the intent of the parties hereto that Indemnitee enjoy by this Agreement the greater benefits so afforded by such change. No right or remedy herein conferred to or for the benefit of Indemnitee is intended to be exclusive of any other right or remedy available to Indemnitee, and every such other right and remedy shall be cumulative and in addition to every other right and remedy of Indemnitee given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the Indemnitee's concurrent assertion or employment of any other right or remedy.
- (b) CCO shall promptly obtain and, during the time period Indemnitee serves CCO in a Corporate Status, maintain in full force and effect director's and officer's liability insurance that shall:
  - (i) be provided by an insurance company that is rated within the two highest categories by at least two of any of the following independent rating agencies: A.M. Best Company, Inc.,



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Fitch Ratings, Moody's Investor Services or Standard & Poor's Insurance Ratings Services;

- (ii) provide Indemnitee at least the same rights and benefits as are accorded to the most favorably insured of the directors of any Clear Channel Entity (other than the coverage provided in (iii) below);
- (iii) in the case of directors only, provide at least \$15,000,000 of non-rescindable independent director liability coverage available solely to the Non-Affiliate Directors (as such term is defined in Section 15 of this Agreement) and at least \$15,000,000 of non-rescindable independent director liability coverage available solely to a director who is a Sponsor Designee (as such term is defined in Section 15 of this Agreement) or a Mays Executive (as such term is defined in Section 15 of this Agreement) (provided that CCO shall not be required to expend in the aggregate in connection with the purchase of the coverage described in this clause (iii) an annual premium in excess of 115% of the annual premium for such coverage in effect on the date of this Agreement, and to the extent the annual premium for such coverage shall exceed such amount, CCO shall obtain the maximum amount of coverage as is available for such amount); and
- (iv) not have any deductible or retention with respect to Indemnitee.

If, at the time CCO receives notice from any source of a Proceeding to which Indemnitee is a party or a participant (as a witness or otherwise), CCO has director and officers liability insurance in effect, CCO shall give prompt notice of such Proceeding to the insurers in accordance with the procedures set forth in the respective policies. CCO shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of Indemnitee, all amounts payable as a result of such Proceeding in accordance with the terms of such policies.

- (c) If Indemnitee ceases to serve CCO in a Corporate Status for any reason, CCO shall procure a run-off directors' and officers' liability insurance policy with respect to claims arising from facts or events that occurred before the time Indemnitee ceased to serve CCO in a Corporate Status and covering Indemnitee, which policy, without any lapse in coverage, will provide coverage for a period of six (6) years after the time Indemnitee ceased to serve CCO in a Corporate Status and will provide coverage (including amount and type of coverage and size of deductibles) that is substantially comparable to CCO's directors' and officers' liability insurance policy that was most protective of Indemnitee in the twelve (12) months preceding the time Indemnitee ceased to serve CCO in a Corporate Status (but in any event will provide coverage at least as protective as the coverage required pursuant to Section 11(b) of this Agreement); provided, however, that:
  - (i) this obligation shall be suspended during the period immediately following the time Indemnitee ceases to serve CCO in a Corporate Status if and only so long as CCO has a directors' and officers' liability insurance policy in effect covering Indemnitee for such claims that, if it were a run-off policy, would meet or exceed the foregoing standards, but in any event this suspension period shall end when a Change in Control occurs; and
  - (ii) no later than the end of the suspension period provided in the preceding clause (i) (whether because of failure to have a policy meeting the foregoing standards or because a Change in Control occurs), CCO shall procure a run-off directors' and officers' liability

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insurance policy meeting the foregoing standards and lasting for the remainder of the six-year period.

- (d) In the event of any payment by CCO under this Agreement, CCO shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee against any other Outdoor Entity (other than any Clear Channel Entity that might otherwise happen to fall within the definition of Outdoor Entity hereunder), and Indemnitee hereby agrees, as a condition to obtaining any advancement or indemnification from CCO, to assign all of Indemnitee's rights to obtain from such other Outdoor Entity such amounts to the extent that they have been paid to or for the benefit of Indemnitee as advancement or indemnification under this Agreement and are adequate to indemnify Indemnitee with respect to the costs, Expenses or other items to the full extent that Indemnitee is entitled to indemnification or other payment hereunder; and Indemnitee will (upon request by CCO) execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable CCO to bring suit or enforce such rights against any such other Outdoor Entity (except to the extent that such payment by CCO when taken together with any such amount actually received from other Outdoor Entities or under director and officer insurance policies maintained by one or more Outdoor Entities are inadequate to fully pay all costs, Expenses or other items to the full extent that Indemnitee is entitled to indemnification or other payment hereunder).
- (e) CCO hereby unconditionally and irrevocably waives, relinquishes and releases, and covenants and agrees not to exercise (and to cause each of the other Outdoor Entities not to exercise), any rights that CCO may now have or hereafter acquire against any Clear Channel Entity that arise from or relate to the existence, payment, performance or enforcement of CCO's obligations under this Agreement or under any other indemnification agreement (whether pursuant to contract, bylaws or charter), including, without limitation, any right of subrogation (whether pursuant to contract or common law), reimbursement, exoneration, contribution or indemnification and any right to participate in any claim or remedy of Indemnitee against any Clear Channel Entity, whether or not such claim, remedy or right arises in equity or under contract, statute or common law, including, without limitation, the right to take or receive from any Clear Channel Entity or Indemnitee, directly or indirectly, in cash or other property or by set-off or in any other manner, payment or security on account of such claim, remedy or right.
- (f) CCO shall not be liable under this Agreement to pay or advance to Indemnitee any amounts otherwise indemnifiable hereunder if and to the extent that Indemnitee has otherwise actually received such payment under any insurance policy, contract agreement maintained by any Outdoor Entity; provided, however, that CCO hereby agrees that (relative to the Clear Channel Entities and any insurance maintained by any of them) CCO (either directly or through insurance maintained by CCO) is the indemnitor of first resort to provide advancement or indemnification under this Agreement, under any similar agreement of any Outdoor Entity or under any corporate charter, bylaw, similar governing document or other undertaking (i.e., CCO's obligations to Indemnitee under this Agreement or any other agreement or undertaking to provide advancement and/or indemnification to Indemnitee are primary and any obligation of any Clear Channel Entity (including any affiliate thereof other than an Outdoor Entity) to provide advancement or indemnification for the same Expenses, liabilities, judgments, penalties, fines and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses, liabilities, judgments, penalties, fines and amounts paid in settlement) incurred by Indemnitee is secondary to CCO's obligations), and if any Clear Channel Entity (or any affiliate thereof other than an Outdoor Entity) pays or causes to be paid, for any

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reason, any amounts otherwise indemnifiable hereunder or under any other indemnification agreement (whether pursuant to contract, by-laws or charter) with Indemnitee, then (x) such Clear Channel Entity (or affiliate) shall be fully subrogated to all rights of Indemnitee with respect to such payment and (y) CCO shall fully indemnify, reimburse and hold harmless (and shall cause the other Outdoor Entities to fully indemnify, reimburse and hold harmless) such Clear Channel Entity for all such payments actually made by such Clear Channel Entity.

- (g) CCO's obligation to indemnify or advance Expenses hereunder to Indemnitee in respect of or relating to Indemnitee's service at the request of CCO as a director, officer, employee, fiduciary, representative, partner or agent of any other Outdoor Entity shall be reduced by any amount Indemnitee has actually received as payment of indemnification or advancement of Expenses from such other Outdoor Entity, except to the extent that such indemnification payments and advance payment of Expenses when taken together with any such amount actually received from other Outdoor Entities or under director and officer insurance policies maintained by one or more Outdoor Entities are inadequate to fully pay all costs, Expenses or other items to the full extent that Indemnitee is entitled to indemnification or other payment hereunder.

### 12. Employment Rights; Successors; Third Party Beneficiaries.

- (a) This Agreement shall not be deemed an employment contract between CCO and Indemnitee. This Agreement shall continue in force as provided above after Indemnitee has ceased to serve as an officer of CCO.
- (b) This Agreement shall be binding upon CCO and its successors and assigns and shall inure to the benefit of Indemnitee and his or her heirs, executors and administrators.

13. Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby; (b) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (c) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

14. Exception to Right of Indemnification or Advancement of Expenses. Except as provided in Section 7(a) and Section 7(b) of this Agreement or as may otherwise be agreed by CCO, Indemnitee shall not be entitled to indemnification or advancement of Expenses under this Agreement with respect to any Proceeding brought by Indemnitee (other than a Proceeding by Indemnitee (i) by way of defense or counterclaim, (ii) to enforce his or her rights under this Agreement or (iii) to enforce any other rights of Indemnitee for indemnification, advancement or contribution from CCO under any other contract, by-law, charter provision, statute or other law including any rights under Section 145 of the Delaware General Corporation Law), unless the bringing of such Proceeding or making of such claim shall have been approved by the Board of Directors.

15. Definitions. For purposes of this Agreement:

- (a) Affiliate Director” means a director of CCO who is also (i) an officer or employee of CCO or any other Outdoor Entity; or (ii) a director, officer or employee of any Clear Channel Entity; or (iii) who is otherwise a Sponsor Designee or a Mays Executive.
- (b) Beneficial Owner” or Beneficial Ownership” shall have the meanings set forth in Rule 13d-3 promulgated under the Exchange Act (as hereinafter defined) as in effect on the date hereof.
- (c) Certificate of Incorporation” means, with respect to any entity, its certificate of incorporation, articles of incorporation or similar governing document.
- (d) Change in Control” means any of the following events:
  - (i) The acquisition in one or more transactions by any “person” (as the term person is used for purposes of Section 13(d) or 14(d) of the Exchange Act), other than the Clear Channel Entities (as hereinafter defined), of Beneficial Ownership of shares representing at least a majority of the total voting power of the Voting Stock (as hereinafter defined); or
  - (ii) Consummation by CCO, in a single transaction or series of related transactions, of (A) a merger or consolidation involving CCO if the stockholders of CCO immediately prior to such merger or consolidation do not own, directly or indirectly, immediately following such merger or consolidation, at least a majority of the total voting power of the outstanding voting securities of the entity resulting from such merger or consolidation or (B) a sale, conveyance, lease, license, exchange or transfer (for cash, shares of stock, securities or other consideration) of a majority or more of the assets or earning power of CCO.

Notwithstanding the foregoing, a Change in Control” shall not be deemed to occur solely because a majority or more of the total voting power of the Voting Stock is acquired by (A) a trustee or other fiduciary holding securities under one or more employee benefit plans maintained by CCO or any of its subsidiaries or (B) any corporation that, immediately prior to such acquisition, is owned directly or indirectly by the stockholders of CCO in the same proportion as their ownership of stock in CCO immediately prior to such acquisition.
- (e) Clear Channel Entities” means any one or more of (i) CC Media Holdings, Inc. (“CC Media”); (ii) any corporation, partnership, joint venture, association or other entity of which CC Media is the Beneficial Owner (directly or indirectly) of 20% or more of the outstanding voting stock, voting power, partnership interests or similar voting interests; and (iii) any other corporation, partnership, joint venture, association or other entity that is controlled by CC Media, controls CC Media or is under common control with CC Media; provided, however, that in no event shall Clear Channel Entities” include (A) CCO, (B) any corporation, partnership, joint venture, association or other entity of which CCO is the Beneficial Owner (directly or indirectly) of 20% or more of the outstanding voting stock, voting power, partnership interests or similar voting interests or (C) any other corporation, partnership, joint venture, association or other entity that is controlled by CCO. For purposes of this definition of Clear Channel Entities,” the term control” (including the terms controlling,” controlled by” and under common control with”) means the possession, direct or indirect, of the power to direct or cause the direction of the

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management and policies of an entity, whether through the ownership of voting securities, by contract, or otherwise.

- (f) “Corporate Status” describes the status of a person in his or her capacity as an officer of CCO (including, without limitation, one who serves at the request of CCO as a director, officer, employee, fiduciary or agent of any Outdoor Entity).
- (g) “Determination” means a determination that either (x) there is a reasonable basis for the conclusion that indemnification of Indemnitee is proper in the circumstances because Indemnitee met a particular standard of conduct (a “Favorable Determination”) or (y) there is no reasonable basis for the conclusion that indemnification of Indemnitee is proper in the circumstances because Indemnitee met a particular standard of conduct (an “Adverse Determination”). An Adverse Determination shall include the decision that a Determination was required in connection with indemnification and the decision as to the applicable standard of conduct.
- (h) “Disinterested Director” means a director of CCO who is not (at the time of the vote) and was not a party to the Proceeding in respect of which indemnification is sought by Indemnitee.
- (i) “Exchange Act” means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.
- (j) “Expenses” shall mean all reasonable costs, fees and expenses and shall specifically include all reasonable attorneys’ fees, retainers, court costs, transcript costs, fees and costs of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness, in, or otherwise participating in, a Proceeding, including, but not limited to, the premium for appeal bonds, attachment bonds or similar bonds and all interest, assessments and other charges paid or payable in connection with or in respect of any such Expenses. Should any payment by CCO under this Agreement be determined to be subject to any federal, state or local income or excise tax, “Expenses” shall also include such amounts as are necessary to place Indemnitee in the same after-tax position (after giving effect to all applicable taxes) as Indemnitee would have been in had no such tax been determined to apply to such payments.
- (k) “Independent Counsel” means a law firm, a member of a law firm or an independent legal practitioner that (a) is experienced in matters of corporation law, (b) is reasonably acceptable to Indemnitee and (c) neither contemporaneously is, nor in the five (5) years theretofore has been, retained to represent (i) CCO or Indemnitee in any matter material to either such party, (other than as Independent Counsel under this Agreement or similar agreements); (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder; or (iii) the Beneficial Owner, directly or indirectly, of securities of CCO representing five percent or more of the combined voting power of CCO’s then outstanding shares, unless Indemnitee in its sole discretion waives any of the requirements set forth in clauses (i), (ii) and (iii) of this clause (c). Notwithstanding the foregoing, the term “Independent Counsel” shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either CCO or Indemnitee in an action to determine Indemnitee’s rights under this Agreement.
- (l) “Mays Executive” means either or both of Mark P. Mays and Randall T. Mays.

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- (m) “Non-Affiliate Director” means a director of CCO who is not also (i) an officer or employee of CCO or any other Outdoor Entity; or (ii) a director, officer or employee of any Clear Channel Entity or (iii) a Sponsor Designee or Mays Executive; provided, however, that a director of CCO who is a Sponsor Designee or a Mays Executive shall be deemed to be an “Affiliate Director” – and not to be a “Non-Affiliate Director” -- as those terms is used herein.
- (n) “Outdoor Entity” means CCO, any of its subsidiaries and any other corporation, partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise with respect to which Indemnitee serves as a director, officer, employee, partner, representative, fiduciary or agent, or in any similar capacity, at the request of CCO.
- (o) “Proceeding” includes any actual, threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened, pending or completed proceeding, whether brought by or in the right of CCO or otherwise and whether civil, criminal, administrative or investigative in nature, in which Indemnitee was, is, may be or will be involved as a party, witness or otherwise, by reason of Indemnitee’s Corporate Status or by reason of any action taken by him or of any inaction on his or her part while acting as director or officer of any Outdoor Entity (in each case whether or not he is acting or serving in any such capacity or has such status at the time any liability or expense is incurred for which indemnification or advancement of Expenses can be provided under this Agreement).
- (p) “Sponsor Designee” means any person who is an officer, director, shareholder, member, manager, partner or employee of any of: (i) Bain Capital Partners, LLC (“BCP”) Thomas H. Lee Partners, L.P. (“THL”), or (ii) any investment fund or management company affiliated with either of those entities, or (iii) any Sponsor Entity (other than Sponsor Entities that are comprised solely of Clear Channel Entities or Outdoor Entities), or (iv) any successor to any of the foregoing entities.
- (q) “Sponsor Entity” means any one or more of (i) BCP; (ii) THL; (iii) any corporation, partnership, joint venture, association or other entity of which BCP or THL is (directly or indirectly, and whether individually or in the aggregate) the Beneficial Owner (including, without limitation, ownership through one or more investment funds or other entities that are controlled by, controlling or under common control with BCP or THL or any of their respective affiliates) of 20% or more of the outstanding voting stock, voting power, partnership interests or similar voting interests; and (iv) any other corporation, partnership, joint venture, association or other entity that is controlled by BCP or THL, controls BCP or THL or is under common control with BCP or THL (whether individually or collectively); provided, however, that for purposes hereof in no event shall “Sponsor Entities” include (A) CCO or any other Outdoor Entity, (B) any Clear Channel Entity. For purposes of this definition of “Sponsor Entity,” the term “control” (including the terms “controlling,” “controlled by” and “under common control with”) means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of an entity, whether through the ownership of voting securities, by contract, or otherwise.
- (r) “Voting Stock” means the shares of all classes of the then-outstanding capital stock of CCO entitled to vote generally in the election of directors.

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16. Construction. Whenever required by the context, as used in this Agreement the singular number shall include the plural, the plural shall include the singular, and all words herein in any gender shall be deemed to include (as appropriate) the masculine, feminine and neuter genders.
17. Reliance; Integration.
- (a) CCO expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to induce Indemnitee to continue to serve as an officer of CCO, and CCO acknowledges that Indemnitee is relying upon this Agreement in serving as an officer of CCO.
- (b) Subject to Section 11(a), this Agreement constitutes the entire agreement between CCO and Indemnitee with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between CCO and Indemnitee with respect to the subject matter hereof; provided, however, that (i) nothing herein is intended or shall be construed to limit any rights that the Indemnitee may have under any other agreement or instrument (including, without limitation, any charter, by-law or other governing document of, or any agreement with, any Outdoor Entity or any Clear Channel Entity) and (ii) in the event of any inconsistency between the provisions of Sections 11(d), 11(e) and 11(f), on the one hand, and the provisions of any other agreement or instrument (including, without limitation, any charter, by-law or other governing document of, or any agreement with, any Outdoor Entity or any Clear Channel Entity), on the other hand, the provisions of Sections 11(d), 11(e) and 11(f) shall control and supersede such inconsistent provisions of other such other agreements or instruments.
18. Modification and Waiver. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.
19. Notice Mechanics. All notices, requests, demands or other communications hereunder shall be in writing and shall be deemed to have been duly given if (a) delivered by hand and received for by the party to whom said notice or other communication shall have been direct, or (b) mailed by certified or registered mail with postage prepaid, on the third business day after the date on which it is so mailed:

a. If to Indemnitee to:

Tomas W. Casey  
512 Terrell  
San Antonio, Texas 78209

with a copy to:

Simpson Thacher & Bartlett LLP  
225 Lexington Avenue  
New York, New York 10017  
Attn: Barry Ostrager

b. If to CCO, to:

Clear Channel Outdoor Holdings, Inc.  
200 East Basse Road  
San Antonio, TX 78209  
Attn: General Counsel

with a copy to:

Kirkland & Ellis LLP  
300 N. LaSalle  
Chicago, Illinois 60654  
Attn: Jon A. Ballis, P.C. and James S. Rowe

or to such other address as may have been furnished (in the manner prescribed above) as follows:  
(a) in the case of a change in address for notices to Indemnatee, furnished by Indemnatee to CCO  
and (b) in the case of a change in address for notices to CCO, furnished by CCO to Indemnatee.

20. Contribution. To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnatee for any reason whatsoever, CCO, in lieu of indemnifying Indemnatee, shall contribute to the amount incurred by Indemnatee, whether for judgments, fines, penalties, excise taxes, amounts paid or to be paid in settlement and/or for reasonably incurred Expenses, in connection with any claim relating to an indemnifiable event under this Agreement, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such Proceeding in order to reflect (a) the relative benefits received by CCO and Indemnatee as a result of the event(s) and/or transaction(s) giving cause to such Proceeding; and/or (b) the relative fault of CCO (and its other directors, officers, employees and agents) and Indemnatee in connection with such event(s) and/or transaction(s).
21. Governing Law; Submission to Jurisdiction; Appointment of Agent for Service of Process. This Agreement and the legal relations among the parties shall, to the fullest extent permitted by law, be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to its conflict of laws rules. CCO and Indemnatee hereby irrevocably and unconditionally (a) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Chancery Court of the State of Delaware (the "Delaware Court"), and not in any other state or federal court in the United States of America or any court in any other country, (b) consent to submit to the exclusive jurisdiction of the Delaware Court for purposes of any action or proceeding arising out of or in connection with this Agreement, (c) waive any objection to the laying of venue of any such action or proceeding in the Delaware Court, and (d) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Delaware Court has been brought in an improper or otherwise inconvenient forum.
22. Headings. The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.
23. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement.

*[Remainder of Page Intentionally Blank]*



IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

**CLEAR CHANNEL OUTDOOR HOLDINGS, INC.:**

By: /s/ Hamlet T. Newsom, Jr  
Name: Hamlet T. Newsom, Jr  
Title: VP, Associate General Counsel

**INDEMNITEE:**

/s/ Thomas W. Casey  
Name: Thomas W. Casey

## INDEMNIFICATION AGREEMENT

This Agreement is made and entered into this 5th day of September, 2012 (“Agreement”), by and between Clear Channel Outdoor Holdings, Inc., a Delaware corporation (“CCO”), and Robert H. Walls, Jr. (“Indemnitee”).

WHEREAS, in light of the litigation costs and risks to officers resulting from their service to companies, and the desire of CCO to attract and retain qualified individuals to serve as officers, it is reasonable, prudent and necessary for CCO to indemnify and advance expenses on behalf of certain of its officers to the extent permitted by applicable law so that they will serve or continue to serve CCO free from undue concern regarding such risks;

WHEREAS, CCO has requested that Indemnitee continue to serve in one or more functions as an officer of CCO and may have requested or may in the future request that Indemnitee serve one or more Outdoor Entities (as hereinafter defined) as an officer or in other capacities;

WHEREAS, Indemnitee may have certain rights to indemnification, advancement of expenses and/or insurance provided by a Clear Channel Entity (as such term is defined in Section 15 of this Agreement), which Indemnitee, CCO and such other entities intend to be secondary to the primary obligation of CCO to indemnify Indemnitee as provided herein, with CCO’s acknowledgement of and agreement to the foregoing being a material condition to Indemnitee’s willingness to continue to serve as an officer of CCO (or of any other Outdoor Entity); and

WHEREAS, Indemnitee is willing to continue to serve as an officer of CCO on the condition that he be so indemnified.

NOW, THEREFORE, in consideration of the premises and the covenants contained herein, CCO and Indemnitee do hereby covenant and agree as follows:

1. Services by Indemnitee. Indemnitee agrees to continue to serve as an officer of CCO. Indemnitee may at any time and for any reason resign from such position.
2. Indemnification - General. On the terms and subject to the conditions of this Agreement, CCO shall, to the fullest extent permitted by law, indemnify Indemnitee with respect to, and hold Indemnitee harmless from and against, liabilities, losses, costs, Expenses (as hereinafter defined) and other matters that may result from or arise in connection with Indemnitee’s Corporate Status (as hereinafter defined) and shall advance Expenses to Indemnitee, in each case to the fullest extent permitted by applicable law in effect on the date hereof, and to such greater extent as applicable law may hereafter from time to time permit, notwithstanding that such indemnification or advances are not specifically authorized by other provisions of this Agreement. The indemnification obligations of CCO under this Agreement (a) shall continue after such time as Indemnitee ceases to serve as an officer of CCO or in any other Corporate Status and (b) include, without limitation, claims for monetary damages against Indemnitee in respect of any alleged breach of fiduciary duty, to the fullest extent permitted under applicable law (including, if applicable, Section 145 of the Delaware General Corporation Law) as in existence on the date hereof and as amended from time to time.
3. Proceedings Other Than Proceedings by or in the Right of CCO. If by reason of Indemnitee’s Corporate Status Indemnitee was, is, or is threatened to be made, a party to or a participant in any Proceeding (as hereinafter defined) other than a Proceeding by or in the right of CCO to procure a judgment in its favor, CCO shall, to the fullest extent permitted by law, indemnify Indemnitee with respect to, and hold

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Indemnitee harmless from and against, all Expenses, liabilities, judgments, penalties, fines and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such liabilities, judgments, penalties, fines and amounts paid in settlement) reasonably incurred by Indemnitee or on behalf of Indemnitee in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in, or not opposed to, the best interests of CCO and, with respect to any criminal Proceeding, had no reasonable cause to believe Indemnitee's conduct was unlawful.

4. Proceedings by or in the Right of CCO. If by reason of Indemnitee's Corporate Status Indemnitee was, is, or is threatened to be made, a party to or a participant in any Proceeding by or in the right of CCO to procure a judgment in its favor, CCO shall, to the fullest extent permitted by law, indemnify Indemnitee with respect to, and hold Indemnitee harmless from and against, all Expenses reasonably incurred by Indemnitee or on behalf of Indemnitee in connection with such Proceeding if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in, or not opposed to, the best interests of CCO; provided, however, that indemnification against such Expenses shall be made in respect of any claim, issue or matter in such Proceeding as to which Indemnitee shall have been adjudged by a court of competent jurisdiction to be liable to CCO only if (and only to the extent that) the Court of Chancery of the State of Delaware or other court in which such Proceeding shall have been brought or is pending shall determine that despite such adjudication of liability and in light of all circumstances such indemnification may be made.
5. Mandatory Indemnification in Case of Successful Defense. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee is, by reason of Indemnitee's Corporate Status, a party to (or a participant in) and is successful, on the merits or otherwise, in defense of any Proceeding (including, without limitation, any Proceeding brought by or in the right of CCO), CCO shall, to the fullest extent permitted by law, indemnify Indemnitee with respect to, and hold Indemnitee harmless from and against, all Expenses reasonably incurred by Indemnitee or on behalf of Indemnitee in connection therewith. If Indemnitee is not wholly successful in defense of such Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, CCO shall, to the fullest extent permitted by law, indemnify Indemnitee against all Expenses reasonably incurred by Indemnitee or on behalf of Indemnitee in connection with each successfully resolved claim, issue or matter. For purposes of this Section 5 and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, on substantive or procedural grounds, shall be deemed to be a successful result as to such claim, issue or matter.
6. Partial Indemnification. If Indemnitee is entitled under any provision of this Agreement or otherwise to indemnification by CCO for some or a portion of the Expenses, liabilities, judgments, penalties, fines and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such liabilities, judgments, penalties, fines and amounts paid in settlement) incurred by Indemnitee or on behalf of Indemnitee in connection with a Proceeding or any claim, issue or matter therein, but not, however, for the total amount thereof, CCO shall, to the fullest extent permitted by law, indemnify Indemnitee for that portion thereof to which Indemnitee is entitled.
7. Indemnification for Additional Expenses Incurred to Secure Recovery or as Witness.
  - (a) CCO will, to the fullest extent permitted by law, indemnify Indemnitee with respect to, and hold Indemnitee harmless from and against, any and all Expenses and, if requested by Indemnitee, will (within twenty (20) calendar days of such request) advance such Expenses to Indemnitee, which are reasonably incurred by Indemnitee in connection with any action concerning (i) indemnification or advance payment of Expenses by CCO under this Agreement, any other

agreement, the Certificate of Incorporation or by-laws of CCO as now or hereafter in effect; or (ii) recovery under any director and officer liability insurance policies maintained by any Outdoor Entity or Clear Channel Entity (as hereinafter defined) to the fullest extent permitted by law.

- (b) To the extent that Indemnitee is, by reason of Indemnitee's Corporate Status, a witness in any Proceeding to which Indemnitee is not a party, CCO will, to the fullest extent permitted by law, indemnify Indemnitee with respect to, and hold Indemnitee harmless from and against, and CCO will advance, all Expenses reasonably incurred by Indemnitee or on behalf of Indemnitee in connection therewith.

8. Advancement of Expenses.

- (a) CCO shall advance, to the fullest extent permitted by law, all Expenses reasonably incurred by or on behalf of Indemnitee in connection with the investigation, defense, settlement or appeal of any Proceeding within twenty (20) calendar days after the receipt by CCO of a statement or statements from Indemnitee requesting such advance or advances from time to time, whether prior to or after final disposition of such Proceeding. Such advances shall, in all events, be (i) unsecured and interest free; and (ii) made without regard to Indemnitee's ability to repay the advances.

- (b) To obtain advancement of Expenses under this Agreement, Indemnitee shall submit to CCO a written request for advancement of Expenses and, to the extent required by applicable law, an unsecured written undertaking by or on behalf of Indemnitee to repay any Expenses advanced if it shall ultimately be determined that Indemnitee is not entitled to be indemnified against such Expenses. Upon submission of such request for advancement of Expenses and (if applicable) unsecured written undertaking, Indemnitee shall be entitled to advancement of Expenses as provided in this Section 8, and such advancement of Expenses shall continue until such time (if any) as there is a final judicial determination that Indemnitee is not entitled to indemnification.

9. Establishment of a Trust. CCO shall, upon written request of a majority of the officers of CCO who are party to indemnification agreements with CCO, create a trust for the benefit of Indemnitee (the "Trust") following initiation of a Proceeding for which Indemnitee reasonably believes that he may be entitled to indemnification by CCO under this Agreement. From time to time upon written request of Indemnitee, CCO shall fund such Trust within ninety (90) days of such request in an amount sufficient to satisfy any and all (a) Expenses reasonably anticipated at the time of each such request to be incurred by or on behalf of Indemnitee in connection with such Proceeding and (b) judgments, fines, penalties and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such judgments, fines, penalties and amounts paid in settlement) in connection with such Proceeding actually paid or claimed, reasonably anticipated or proposed to be paid, but, with respect to amounts described in this clause (b), only to the extent such amounts would not reasonably be expected to be fully paid by CCO's directors' and officers' liability insurance coverage (including amounts below the deductible of any such policy). The trustee of the Trust (the "Trustee") shall be a bank or trust company or other individual or entity chosen by Indemnitee and reasonably acceptable to CCO. The amount or amounts to be deposited in the Trust pursuant to the foregoing funding obligation shall be determined by mutual agreement of Indemnitee and CCO. If Indemnitee and CCO are unable to reach an agreement on the amount or amounts to be deposited in the Trust pursuant to the foregoing funding obligation within a reasonable period of time not to exceed ten (10) business days, then such amount or amounts shall be as mutually agreed by Indemnitee and CC Media, or in the event that Indemnitee and CC Media are also unable to reach a mutual agreement on such amount or

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amounts within a reasonable period of time not to exceed ten (10) business days, then as determined by Independent Counsel (as hereinafter defined). The terms of the Trust shall provide that (a) the Trust shall not be revoked or the principal thereof invaded, without the written consent of Indemnitee; (b) the Trustee shall advance, within twenty (20) calendar days of a request by Indemnitee, any and all Expenses reasonably incurred by or on behalf of Indemnitee in connection with the investigation, defense, settlement or appeal of any Proceeding, any required determination concerning the reasonableness of the Expenses to be made by the Independent Counsel (and Indemnitee hereby agrees to reimburse the Trust under the circumstances in which Indemnitee would be required to reimburse CCO for Expenses advanced under Section 8(b) of this Agreement); (c) the Trust shall continue to be funded by CCO in accordance with the funding obligation set forth above; (d) the Trustee shall promptly pay to Indemnitee all amounts for which Indemnitee shall be entitled to indemnification pursuant to this Agreement; and (e) all unexpended funds in the Trust shall revert to CCO upon a final determination by Independent Counsel or the mutual agreement by CCO and Indemnitee that Indemnitee has been fully indemnified and held harmless under the terms of this Agreement. The Trust shall be governed by Delaware law (without regard to its conflicts of laws rules) and the Trustee shall consent to the exclusive jurisdiction of the Delaware Court in accordance with Section 21 of this Agreement. Nothing in this Section 9 shall relieve CCO of any of its obligations under this Agreement.

### 10. Indemnification Procedures.

- (a) Notice of Proceeding. Indemnitee agrees to notify CCO promptly upon being served with any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter which may be subject to indemnification or advancement of Expenses hereunder. Any failure by Indemnitee to so notify CCO will relieve the CCO of its advancement or indemnification obligations under this Agreement only to the extent CCO can establish that such omission to notify resulted in actual prejudice to it, and the omission to notify CCO will, in any event, not relieve CCO from any liability which it may have to indemnify Indemnitee otherwise than under this Agreement.
- (b) Defense; Settlement. Indemnitee shall have the sole right and obligation to control the defense or conduct of any claim or Proceeding with respect to Indemnitee. CCO will not, without the prior written consent of Indemnitee, which may be provided or withheld in Indemnitee's sole discretion, settle any claim or Proceeding, release any claim, or make any admission of fact, law or liability or damages, or assign, pledge or permit any subrogation with respect to the foregoing, or permit any Outdoor Entity to do any of the foregoing, to the extent such settlement, release, admission, assignment, pledge or subrogation in any way adversely affects Indemnitee or directly or indirectly imposes any expense, liability, damages, debt, obligation, judgment, exposure or burden on Indemnitee and further, in the case of any release or settlement, includes an unconditional release of Indemnitee from all liability on any matters that are the subject of such Proceeding and an acknowledgment that Indemnitee denies all wrongdoing in connection with such matters.
- (c) Request for Advancement; Request for Indemnification.
  - (i) To obtain advancement of Expenses under this Agreement, Indemnitee shall submit to CCO a written request therefor, together with such invoices or other supporting information as may be reasonably requested by CCO and reasonably available to Indemnitee, and, only to the extent required by applicable law which cannot be waived, an unsecured written undertaking to repay amounts advanced. CCO shall make advance payment of Expenses to Indemnitee no later than twenty (20) days after receipt of the

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written request for advancement (and each subsequent request for advancement) by Indemnitee.

- (ii) To obtain indemnification under this Agreement, at any time after submission of a request for advancement pursuant to Section 10(c)(i) of this Agreement, Indemnitee may submit a written request for indemnification hereunder. The time at which Indemnitee submits a written request for indemnification shall be determined by the Indemnitee in the Indemnitee's sole discretion. Once Indemnitee submits such a written request for indemnification (and only at such time that Indemnitee submits such a written request for indemnification), a Determination shall thereafter be made as provided in and only to the extent required by Section 10(d) of this Agreement. In no event shall a Determination be made, or required to be made, as a condition to or otherwise in connection with any advancement of Expenses pursuant to Section 8 and Section 10(c)(i) of this Agreement.
- (d) Determination. CCO agrees that Indemnitee shall be indemnified to the fullest extent permitted by law and that no Determination shall be required in connection with such indemnification unless specifically required by applicable law which cannot be waived. In no event shall a Determination be required in connection with indemnification for Expenses incurred as a witness pursuant to Section 7 of this Agreement or incurred in connection with any Proceeding or portion thereof with respect to which Indemnitee has been successful on the merits or otherwise. Any decision that a Determination is required by law in connection with any other indemnification of Indemnitee, and any such Determination, shall be made within thirty (30) days after receipt of Indemnitee's written request for indemnification pursuant to Section 10(c)(ii) and such Determination shall be made either (i) by the Disinterested Directors, even though less than a quorum, so long as Indemnitee does not request that such Determination be made by Independent Counsel, or (ii) if so requested by Indemnitee, in Indemnitee's sole discretion, by Independent Counsel in a written opinion to the CCO and Indemnitee. If a Determination is made that Indemnitee is entitled to indemnification, payment to Indemnitee shall be made within twenty (20) days after such Determination. Indemnitee shall reasonably cooperate with the person, persons or entity making such Determination with respect to Indemnitee's entitlement to indemnification, including providing to such person, persons or entity upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such Determination. Any Expenses incurred by Indemnitee in so cooperating with the Disinterested Directors or Independent Counsel, as the case may be, making such Determination shall be advanced and borne by CCO (irrespective of the Determination as to Indemnitee's entitlement to indemnification) and CCO shall indemnify and hold Indemnitee harmless therefrom.
- (e) Independent Counsel. In the event Indemnitee requests that the Determination be made by Independent Counsel pursuant to Section 10(d) of this Agreement, the Independent Counsel shall be selected as provided in this Section 10(e). The Independent Counsel shall be selected by Indemnitee (unless Indemnitee shall request that such selection be made by the Board of Directors of CCO (the "Board of Directors"), in which event the Board of Directors shall make such selection on behalf of CCO, subject to the remaining provisions of this Section 10(e)), and Indemnitee or CCO, as the case may be, shall give written notice to the other, advising CCO or Indemnitee of the identity of the Independent Counsel so selected. CCO or Indemnitee, as the case may be, may, within ten (10) days after such written notice of selection shall have been received, deliver to Indemnitee or CCO, as the case may be, a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the Independent

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Counsel so selected does not meet the requirements of “Independent Counsel” as defined in this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Independent Counsel. If a written objection is so made and substantiated, the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or a court of competent jurisdiction has determined that such objection is without merit. If, within twenty (20) days after submission by Indemnitee of a written request for indemnification pursuant to Section 10(c)(ii) of this Agreement, no Independent Counsel shall have been selected and not objected to, either CCO or Indemnitee may petition a court of competent jurisdiction for resolution of any objection which shall have been made by CCO or Indemnitee to the other’s selection of Independent Counsel and/or for the appointment as Independent Counsel of a person selected by the court or by such other person as the court shall designate, and the person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel under Section 10(d) of this Agreement. Upon the due commencement of any judicial proceeding or arbitration pursuant to Section 10(f) of this Agreement, Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing). Any expenses incurred by Independent Counsel shall be borne by CCO (irrespective of the Determination of Indemnitee’s entitlement to indemnification) and not by Indemnitee.

- (f) Consequences of Determination; Remedies of Indemnitee. CCO shall be bound by and shall have no right to challenge a Favorable Determination. If an Adverse Determination is made, or if for any other reason CCO does not make timely indemnification payments or advances of Expenses, Indemnitee shall have the right to commence a Proceeding before a court of competent jurisdiction to challenge such Adverse Determination and/or to require CCO to make such payments or advances (and CCO shall have the right to defend its position in such Proceeding and to appeal any adverse judgment in such Proceeding). Indemnitee shall be entitled to be indemnified for all Expenses incurred in connection with such a Proceeding and to have such Expenses advanced by CCO in accordance with Section 8 of this Agreement. If Indemnitee fails to challenge an Adverse Determination, or if Indemnitee challenges an Adverse Determination and such Adverse Determination has been upheld by a final judgment of a court of competent jurisdiction from which no appeal can be taken, then, to the extent and only to the extent required by such Adverse Determination or final judgment, CCO shall not be obligated to indemnify or advance Expenses to Indemnitee under this Agreement.
- (g) Presumptions; Burden and Standard of Proof. The parties intend and agree that, to the extent permitted by law, in connection with any Determination with respect to Indemnitee’s entitlement to indemnification hereunder by any person, including a court:
- (i) it will be presumed that Indemnitee is entitled to indemnification under this Agreement, and CCO or any other Outdoor Entity or other person or entity challenging such right will have the burden of proof to overcome that presumption in connection with the making by any person, persons or entity of any determination contrary to that presumption;
  - (ii) the termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself, create a presumption that Indemnitee did not act in good faith and in a manner which Indemnitee reasonably believed to be in or not opposed to the best interests of CCO or other applicable Outdoor Entity, and, with respect to any criminal action or proceeding, had reasonable cause to believe that Indemnitee’s conduct was unlawful;

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- (iii) Indemnitee will be deemed to have acted in good faith if Indemnitee's action is based on the records or books of account of any Outdoor Entity, including financial statements, or on information supplied to Indemnitee by the officers, employees, or committees of the board of directors of the applicable Outdoor Entity, or on the advice of legal counsel for the applicable Outdoor Entity or for Indemnitee or on information or records given in reports made available to the applicable Outdoor Entity by an independent certified public accountant or by an appraiser or other expert or advisor selected by the applicable Outdoor Entity or Indemnitee; and
- (iv) the knowledge and/or actions, or failure to act, of any director, officer, agent or employee of CCO or relevant enterprises will not be imputed to Indemnitee in a manner that limits or otherwise adversely affects Indemnitee's rights hereunder.

The provisions of this clause (g) shall not be deemed to be exclusive or to limit in any way the other circumstances in which Indemnitee may be deemed to have met the applicable standard of conduct set forth in this Agreement.

- (h) Indemnitee agrees to notify CCO promptly upon being served with any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter which may be subject to indemnification or advancement of Expenses covered hereunder; provided, however, that any failure of Indemnitee to so notify CCO will not relieve CCO of any obligation which it may have to Indemnitee under this Agreement or otherwise.

### 11. Other Rights of Recovery; Insurance; Subrogation, etc.

- (a) The rights of indemnification and to receive advancement of Expenses as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, under the Outdoor Entities' Certificates of Incorporation or by-laws, or under any other agreement, vote of stockholders or resolution of directors of any Outdoor Entity, or otherwise. Indemnitee's rights under this Agreement are present contractual rights that are fully vested. No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in Indemnitee's Corporate Status prior to such amendment, alteration or repeal. To the extent that a change in the General Corporation Law of the State of Delaware (or other applicable law), whether by statute or judicial decision, permits greater indemnification or advancement of Expenses than would be afforded currently under the Outdoor Entities' Certificates of Incorporation or by-laws or this Agreement, it is the intent of the parties hereto that Indemnitee enjoy by this Agreement the greater benefits so afforded by such change. No right or remedy herein conferred to or for the benefit of Indemnitee is intended to be exclusive of any other right or remedy available to Indemnitee, and every such other right and remedy shall be cumulative and in addition to every other right and remedy of Indemnitee given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the Indemnitee's concurrent assertion or employment of any other right or remedy.
- (b) CCO shall promptly obtain and, during the time period Indemnitee serves CCO in a Corporate Status, maintain in full force and effect director's and officer's liability insurance that shall:
  - (i) be provided by an insurance company that is rated within the two highest categories by at least two of any of the following independent rating agencies: A.M. Best Company, Inc.,



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Fitch Ratings, Moody's Investor Services or Standard & Poor's Insurance Ratings Services;

- (ii) provide Indemnitee at least the same rights and benefits as are accorded to the most favorably insured of the directors of any Clear Channel Entity (other than the coverage provided in (iii) below);
- (iii) in the case of directors only, provide at least \$15,000,000 of non-rescindable independent director liability coverage available solely to the Non-Affiliate Directors (as such term is defined in Section 15 of this Agreement) and at least \$15,000,000 of non-rescindable independent director liability coverage available solely to a director who is a Sponsor Designee (as such term is defined in Section 15 of this Agreement) or a Mays Executive (as such term is defined in Section 15 of this Agreement) (provided that CCO shall not be required to expend in the aggregate in connection with the purchase of the coverage described in this clause (iii) an annual premium in excess of 115% of the annual premium for such coverage in effect on the date of this Agreement, and to the extent the annual premium for such coverage shall exceed such amount, CCO shall obtain the maximum amount of coverage as is available for such amount); and
- (iv) not have any deductible or retention with respect to Indemnitee.

If, at the time CCO receives notice from any source of a Proceeding to which Indemnitee is a party or a participant (as a witness or otherwise), CCO has director and officers liability insurance in effect, CCO shall give prompt notice of such Proceeding to the insurers in accordance with the procedures set forth in the respective policies. CCO shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of Indemnitee, all amounts payable as a result of such Proceeding in accordance with the terms of such policies.

- (c) If Indemnitee ceases to serve CCO in a Corporate Status for any reason, CCO shall procure a run-off directors' and officers' liability insurance policy with respect to claims arising from facts or events that occurred before the time Indemnitee ceased to serve CCO in a Corporate Status and covering Indemnitee, which policy, without any lapse in coverage, will provide coverage for a period of six (6) years after the time Indemnitee ceased to serve CCO in a Corporate Status and will provide coverage (including amount and type of coverage and size of deductibles) that is substantially comparable to CCO's directors' and officers' liability insurance policy that was most protective of Indemnitee in the twelve (12) months preceding the time Indemnitee ceased to serve CCO in a Corporate Status (but in any event will provide coverage at least as protective as the coverage required pursuant to Section 11(b) of this Agreement); provided, however, that:
  - (i) this obligation shall be suspended during the period immediately following the time Indemnitee ceases to serve CCO in a Corporate Status if and only so long as CCO has a directors' and officers' liability insurance policy in effect covering Indemnitee for such claims that, if it were a run-off policy, would meet or exceed the foregoing standards, but in any event this suspension period shall end when a Change in Control occurs; and
  - (ii) no later than the end of the suspension period provided in the preceding clause (i) (whether because of failure to have a policy meeting the foregoing standards or because a Change in Control occurs), CCO shall procure a run-off directors' and officers' liability

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insurance policy meeting the foregoing standards and lasting for the remainder of the six-year period.

- (d) In the event of any payment by CCO under this Agreement, CCO shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee against any other Outdoor Entity (other than any Clear Channel Entity that might otherwise happen to fall within the definition of Outdoor Entity hereunder), and Indemnitee hereby agrees, as a condition to obtaining any advancement or indemnification from CCO, to assign all of Indemnitee's rights to obtain from such other Outdoor Entity such amounts to the extent that they have been paid to or for the benefit of Indemnitee as advancement or indemnification under this Agreement and are adequate to indemnify Indemnitee with respect to the costs, Expenses or other items to the full extent that Indemnitee is entitled to indemnification or other payment hereunder; and Indemnitee will (upon request by CCO) execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable CCO to bring suit or enforce such rights against any such other Outdoor Entity (except to the extent that such payment by CCO when taken together with any such amount actually received from other Outdoor Entities or under director and officer insurance policies maintained by one or more Outdoor Entities are inadequate to fully pay all costs, Expenses or other items to the full extent that Indemnitee is entitled to indemnification or other payment hereunder).
- (e) CCO hereby unconditionally and irrevocably waives, relinquishes and releases, and covenants and agrees not to exercise (and to cause each of the other Outdoor Entities not to exercise), any rights that CCO may now have or hereafter acquire against any Clear Channel Entity that arise from or relate to the existence, payment, performance or enforcement of CCO's obligations under this Agreement or under any other indemnification agreement (whether pursuant to contract, bylaws or charter), including, without limitation, any right of subrogation (whether pursuant to contract or common law), reimbursement, exoneration, contribution or indemnification and any right to participate in any claim or remedy of Indemnitee against any Clear Channel Entity, whether or not such claim, remedy or right arises in equity or under contract, statute or common law, including, without limitation, the right to take or receive from any Clear Channel Entity or Indemnitee, directly or indirectly, in cash or other property or by set-off or in any other manner, payment or security on account of such claim, remedy or right.
- (f) CCO shall not be liable under this Agreement to pay or advance to Indemnitee any amounts otherwise indemnifiable hereunder if and to the extent that Indemnitee has otherwise actually received such payment under any insurance policy, contract agreement maintained by any Outdoor Entity; provided, however, that CCO hereby agrees that (relative to the Clear Channel Entities and any insurance maintained by any of them) CCO (either directly or through insurance maintained by CCO) is the indemnitor of first resort to provide advancement or indemnification under this Agreement, under any similar agreement of any Outdoor Entity or under any corporate charter, bylaw, similar governing document or other undertaking (i.e., CCO's obligations to Indemnitee under this Agreement or any other agreement or undertaking to provide advancement and/or indemnification to Indemnitee are primary and any obligation of any Clear Channel Entity (including any affiliate thereof other than an Outdoor Entity) to provide advancement or indemnification for the same Expenses, liabilities, judgments, penalties, fines and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses, liabilities, judgments, penalties, fines and amounts paid in settlement) incurred by Indemnitee is secondary to CCO's obligations), and if any Clear Channel Entity (or any affiliate thereof other than an Outdoor Entity) pays or causes to be paid, for any

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reason, any amounts otherwise indemnifiable hereunder or under any other indemnification agreement (whether pursuant to contract, by-laws or charter) with Indemnitee, then (x) such Clear Channel Entity (or affiliate) shall be fully subrogated to all rights of Indemnitee with respect to such payment and (y) CCO shall fully indemnify, reimburse and hold harmless (and shall cause the other Outdoor Entities to fully indemnify, reimburse and hold harmless) such Clear Channel Entity for all such payments actually made by such Clear Channel Entity.

- (g) CCO's obligation to indemnify or advance Expenses hereunder to Indemnitee in respect of or relating to Indemnitee's service at the request of CCO as a director, officer, employee, fiduciary, representative, partner or agent of any other Outdoor Entity shall be reduced by any amount Indemnitee has actually received as payment of indemnification or advancement of Expenses from such other Outdoor Entity, except to the extent that such indemnification payments and advance payment of Expenses when taken together with any such amount actually received from other Outdoor Entities or under director and officer insurance policies maintained by one or more Outdoor Entities are inadequate to fully pay all costs, Expenses or other items to the full extent that Indemnitee is entitled to indemnification or other payment hereunder.

### 12. Employment Rights; Successors; Third Party Beneficiaries.

- (a) This Agreement shall not be deemed an employment contract between CCO and Indemnitee. This Agreement shall continue in force as provided above after Indemnitee has ceased to serve as an officer of CCO.
- (b) This Agreement shall be binding upon CCO and its successors and assigns and shall inure to the benefit of Indemnitee and his or her heirs, executors and administrators.

13. Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby; (b) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (c) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

14. Exception to Right of Indemnification or Advancement of Expenses. Except as provided in Section 7(a) and Section 7(b) of this Agreement or as may otherwise be agreed by CCO, Indemnitee shall not be entitled to indemnification or advancement of Expenses under this Agreement with respect to any Proceeding brought by Indemnitee (other than a Proceeding by Indemnitee (i) by way of defense or counterclaim, (ii) to enforce his or her rights under this Agreement or (iii) to enforce any other rights of Indemnitee for indemnification, advancement or contribution from CCO under any other contract, by-law, charter provision, statute or other law including any rights under Section 145 of the Delaware General Corporation Law), unless the bringing of such Proceeding or making of such claim shall have been approved by the Board of Directors.

15. Definitions. For purposes of this Agreement:

- (a) Affiliate Director” means a director of CCO who is also (i) an officer or employee of CCO or any other Outdoor Entity; or (ii) a director, officer or employee of any Clear Channel Entity; or (iii) who is otherwise a Sponsor Designee or a Mays Executive.
- (b) Beneficial Owner” or Beneficial Ownership” shall have the meanings set forth in Rule 13d-3 promulgated under the Exchange Act (as hereinafter defined) as in effect on the date hereof.
- (c) Certificate of Incorporation” means, with respect to any entity, its certificate of incorporation, articles of incorporation or similar governing document.
- (d) Change in Control” means any of the following events:
  - (i) The acquisition in one or more transactions by any “person” (as the term person is used for purposes of Section 13(d) or 14(d) of the Exchange Act), other than the Clear Channel Entities (as hereinafter defined), of Beneficial Ownership of shares representing at least a majority of the total voting power of the Voting Stock (as hereinafter defined); or
  - (ii) Consummation by CCO, in a single transaction or series of related transactions, of (A) a merger or consolidation involving CCO if the stockholders of CCO immediately prior to such merger or consolidation do not own, directly or indirectly, immediately following such merger or consolidation, at least a majority of the total voting power of the outstanding voting securities of the entity resulting from such merger or consolidation or (B) a sale, conveyance, lease, license, exchange or transfer (for cash, shares of stock, securities or other consideration) of a majority or more of the assets or earning power of CCO.

Notwithstanding the foregoing, a Change in Control” shall not be deemed to occur solely because a majority or more of the total voting power of the Voting Stock is acquired by (A) a trustee or other fiduciary holding securities under one or more employee benefit plans maintained by CCO or any of its subsidiaries or (B) any corporation that, immediately prior to such acquisition, is owned directly or indirectly by the stockholders of CCO in the same proportion as their ownership of stock in CCO immediately prior to such acquisition.
- (e) Clear Channel Entities” means any one or more of (i) CC Media Holdings, Inc. (“CC Media”); (ii) any corporation, partnership, joint venture, association or other entity of which CC Media is the Beneficial Owner (directly or indirectly) of 20% or more of the outstanding voting stock, voting power, partnership interests or similar voting interests; and (iii) any other corporation, partnership, joint venture, association or other entity that is controlled by CC Media, controls CC Media or is under common control with CC Media; provided, however, that in no event shall Clear Channel Entities” include (A) CCO, (B) any corporation, partnership, joint venture, association or other entity of which CCO is the Beneficial Owner (directly or indirectly) of 20% or more of the outstanding voting stock, voting power, partnership interests or similar voting interests or (C) any other corporation, partnership, joint venture, association or other entity that is controlled by CCO. For purposes of this definition of Clear Channel Entities,” the term control” (including the terms controlling,” controlled by” and under common control with”) means the possession, direct or indirect, of the power to direct or cause the direction of the

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management and policies of an entity, whether through the ownership of voting securities, by contract, or otherwise.

- (f) “Corporate Status” describes the status of a person in his or her capacity as an officer of CCO (including, without limitation, one who serves at the request of CCO as a director, officer, employee, fiduciary or agent of any Outdoor Entity).
- (g) “Determination” means a determination that either (x) there is a reasonable basis for the conclusion that indemnification of Indemnitee is proper in the circumstances because Indemnitee met a particular standard of conduct (a “Favorable Determination”) or (y) there is no reasonable basis for the conclusion that indemnification of Indemnitee is proper in the circumstances because Indemnitee met a particular standard of conduct (an “Adverse Determination”). An Adverse Determination shall include the decision that a Determination was required in connection with indemnification and the decision as to the applicable standard of conduct.
- (h) “Disinterested Director” means a director of CCO who is not (at the time of the vote) and was not a party to the Proceeding in respect of which indemnification is sought by Indemnitee.
- (i) “Exchange Act” means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.
- (j) “Expenses” shall mean all reasonable costs, fees and expenses and shall specifically include all reasonable attorneys’ fees, retainers, court costs, transcript costs, fees and costs of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness, in, or otherwise participating in, a Proceeding, including, but not limited to, the premium for appeal bonds, attachment bonds or similar bonds and all interest, assessments and other charges paid or payable in connection with or in respect of any such Expenses. Should any payment by CCO under this Agreement be determined to be subject to any federal, state or local income or excise tax, “Expenses” shall also include such amounts as are necessary to place Indemnitee in the same after-tax position (after giving effect to all applicable taxes) as Indemnitee would have been in had no such tax been determined to apply to such payments.
- (k) “Independent Counsel” means a law firm, a member of a law firm or an independent legal practitioner that (a) is experienced in matters of corporation law, (b) is reasonably acceptable to Indemnitee and (c) neither contemporaneously is, nor in the five (5) years theretofore has been, retained to represent (i) CCO or Indemnitee in any matter material to either such party, (other than as Independent Counsel under this Agreement or similar agreements); (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder; or (iii) the Beneficial Owner, directly or indirectly, of securities of CCO representing five percent or more of the combined voting power of CCO’s then outstanding shares, unless Indemnitee in its sole discretion waives any of the requirements set forth in clauses (i), (ii) and (iii) of this clause (c). Notwithstanding the foregoing, the term “Independent Counsel” shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either CCO or Indemnitee in an action to determine Indemnitee’s rights under this Agreement.
- (l) “Mays Executive” means either or both of Mark P. Mays and Randall T. Mays.

## Exhibit 10.6

- (m) “Non-Affiliate Director” means a director of CCO who is not also (i) an officer or employee of CCO or any other Outdoor Entity; or (ii) a director, officer or employee of any Clear Channel Entity or (iii) a Sponsor Designee or Mays Executive; provided, however, that a director of CCO who is a Sponsor Designee or a Mays Executive shall be deemed to be an “Affiliate Director” – and not to be a “Non-Affiliate Director” -- as those terms is used herein.
- (n) “Outdoor Entity” means CCO, any of its subsidiaries and any other corporation, partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise with respect to which Indemnitee serves as a director, officer, employee, partner, representative, fiduciary or agent, or in any similar capacity, at the request of CCO.
- (o) “Proceeding” includes any actual, threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened, pending or completed proceeding, whether brought by or in the right of CCO or otherwise and whether civil, criminal, administrative or investigative in nature, in which Indemnitee was, is, may be or will be involved as a party, witness or otherwise, by reason of Indemnitee’s Corporate Status or by reason of any action taken by him or of any inaction on his or her part while acting as director or officer of any Outdoor Entity (in each case whether or not he is acting or serving in any such capacity or has such status at the time any liability or expense is incurred for which indemnification or advancement of Expenses can be provided under this Agreement).
- (p) “Sponsor Designee” means any person who is an officer, director, shareholder, member, manager, partner or employee of any of: (i) Bain Capital Partners, LLC (“BCP”) Thomas H. Lee Partners, L.P. (“THL”), or (ii) any investment fund or management company affiliated with either of those entities, or (iii) any Sponsor Entity (other than Sponsor Entities that are comprised solely of Clear Channel Entities or Outdoor Entities), or (iv) any successor to any of the foregoing entities.
- (q) “Sponsor Entity” means any one or more of (i) BCP; (ii) THL; (iii) any corporation, partnership, joint venture, association or other entity of which BCP or THL is (directly or indirectly, and whether individually or in the aggregate) the Beneficial Owner (including, without limitation, ownership through one or more investment funds or other entities that are controlled by, controlling or under common control with BCP or THL or any of their respective affiliates) of 20% or more of the outstanding voting stock, voting power, partnership interests or similar voting interests; and (iv) any other corporation, partnership, joint venture, association or other entity that is controlled by BCP or THL, controls BCP or THL or is under common control with BCP or THL (whether individually or collectively); provided, however, that for purposes hereof in no event shall “Sponsor Entities” include (A) CCO or any other Outdoor Entity, (B) any Clear Channel Entity. For purposes of this definition of “Sponsor Entity,” the term “control” (including the terms “controlling,” “controlled by” and “under common control with”) means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of an entity, whether through the ownership of voting securities, by contract, or otherwise.
- (r) “Voting Stock” means the shares of all classes of the then-outstanding capital stock of CCO entitled to vote generally in the election of directors.

## Exhibit 10.6

16. Construction. Whenever required by the context, as used in this Agreement the singular number shall include the plural, the plural shall include the singular, and all words herein in any gender shall be deemed to include (as appropriate) the masculine, feminine and neuter genders.
17. Reliance; Integration.
- (a) CCO expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to induce Indemnitee to continue to serve as an officer of CCO, and CCO acknowledges that Indemnitee is relying upon this Agreement in serving as an officer of CCO.
- (b) Subject to Section 11(a), this Agreement constitutes the entire agreement between CCO and Indemnitee with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between CCO and Indemnitee with respect to the subject matter hereof; provided, however, that (i) nothing herein is intended or shall be construed to limit any rights that the Indemnitee may have under any other agreement or instrument (including, without limitation, any charter, by-law or other governing document of, or any agreement with, any Outdoor Entity or any Clear Channel Entity) and (ii) in the event of any inconsistency between the provisions of Sections 11(d), 11(e) and 11(f), on the one hand, and the provisions of any other agreement or instrument (including, without limitation, any charter, by-law or other governing document of, or any agreement with, any Outdoor Entity or any Clear Channel Entity), on the other hand, the provisions of Sections 11(d), 11(e) and 11(f) shall control and supersede such inconsistent provisions of other such other agreements or instruments.
18. Modification and Waiver. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.
19. Notice Mechanics. All notices, requests, demands or other communications hereunder shall be in writing and shall be deemed to have been duly given if (a) delivered by hand and received for by the party to whom said notice or other communication shall have been direct, or (b) mailed by certified or registered mail with postage prepaid, on the third business day after the date on which it is so mailed:

- a. If to Indemnitee to:

Robert H. Walls, Jr.  
132 Park Hill  
San Antonio, Texas 78212

with a copy to:

Michael Spafford  
Bingham McCutchen LLP  
2020 K Street NW  
Washington, DC 20006

- b. If to CCO, to:

Clear Channel Outdoor Holdings, Inc.  
200 East Basse Road  
San Antonio, TX 78209  
Attn: General Counsel

with a copy to:

Kirkland & Ellis LLP  
300 N. LaSalle  
Chicago, Illinois 60654  
Attn: Jon A. Ballis, P.C. and James S. Rowe

or to such other address as may have been furnished (in the manner prescribed above) as follows:  
(a) in the case of a change in address for notices to Indemnatee, furnished by Indemnatee to CCO  
and (b) in the case of a change in address for notices to CCO, furnished by CCO to Indemnatee.

20. Contribution. To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnatee for any reason whatsoever, CCO, in lieu of indemnifying Indemnatee, shall contribute to the amount incurred by Indemnatee, whether for judgments, fines, penalties, excise taxes, amounts paid or to be paid in settlement and/or for reasonably incurred Expenses, in connection with any claim relating to an indemnifiable event under this Agreement, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such Proceeding in order to reflect (a) the relative benefits received by CCO and Indemnatee as a result of the event(s) and/or transaction(s) giving cause to such Proceeding; and/or (b) the relative fault of CCO (and its other directors, officers, employees and agents) and Indemnatee in connection with such event(s) and/or transaction(s).
21. Governing Law; Submission to Jurisdiction; Appointment of Agent for Service of Process. This Agreement and the legal relations among the parties shall, to the fullest extent permitted by law, be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to its conflict of laws rules. CCO and Indemnatee hereby irrevocably and unconditionally (a) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Chancery Court of the State of Delaware (the "Delaware Court"), and not in any other state or federal court in the United States of America or any court in any other country, (b) consent to submit to the exclusive jurisdiction of the Delaware Court for purposes of any action or proceeding arising out of or in connection with this Agreement, (c) waive any objection to the laying of venue of any such action or proceeding in the Delaware Court, and (d) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Delaware Court has been brought in an improper or otherwise inconvenient forum.
22. Headings. The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.
23. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement.

*[Remainder of Page Intentionally Blank]*



**Exhibit 10.6**

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

**CLEAR CHANNEL OUTDOOR HOLDINGS, INC.:**

By: /s/ Scott D. Hamilton

Name:

Title:

**INDEMNITEE:**

/s/ Robert H. Walls, Jr.

Name:

EXHIBIT 11 COMPUTATION OF LOSS PER SHARE

(In thousands, except per share data)

|  | Three Months Ended<br>September 30, |             | Nine Months Ended<br>September 30, |              |
|--|-------------------------------------|-------------|------------------------------------|--------------|
|  | 2012                                | 2011        | 2012                               | 2011         |
| <b>NUMERATOR:</b>  |                                     |             |                                    |              |
| Net loss attributable to the Company – common shares                         | \$ (50,561)                         | \$ (74,056) | \$ (233,215)                       | \$ (259,067) |
| Less: Participating securities dividends                                     | 319                                 | 1,132       | 8,177                              | 2,580        |
| Less: Income (loss) attributable to the Company –<br>unvested shares         | -                                   | -           | -                                  | -            |
| Net loss attributable to the Company per common share –<br>basic and diluted | \$ (50,880)                         | \$ (75,188) | \$ (241,392)                       | \$ (261,647) |
| <b>DENOMINATOR:</b>  |                                     |             |                                    |              |
| Weighted average common shares outstanding - basic (1)                       | 82,765                              | 82,654      | 82,654                             | 82,431       |
| Effect of dilutive securities:   |                                     |             |                                    |              |
| Stock options and common stock warrants (2)                                  | -                                   | -           | -                                  | -            |
| Weighted average common shares outstanding - diluted (1)                     | 82,765                              | 82,654      | 82,654                             | 82,431       |
| Net loss attributable to the Company per common share:                       |                                     |             |                                    |              |
| Basic  | \$ (0.61)                           | \$ (0.91)   | \$ (2.92)                          | \$ (3.17)    |
| Diluted  | \$ (0.61)                           | \$ (0.91)   | \$ (2.92)                          | \$ (3.17)    |

(1) In connection with our stock purchase program discussed further under Part II, Item 2 of this Quarterly Report on Form 10-Q, 111,291 shares purchased by a subsidiary of ours have been included in treasury shares and excluded from this Quarterly Report on Form 10-Q loss per share calculation. The outstanding shares held by our subsidiary are included in shares outstanding on the cover of this Quarterly Report on Form 10-Q.

(2) Equity awards of 5.1 million and 4.2 million were outstanding as of September 30, 2012 and 2011, respectively, but were not included in the computation of diluted earnings per share because to do so would have been antidilutive.

We completed a voluntary stock option exchange program on March 21, 2011 and exchanged 2.5 million stock options granted under the 2008 Executive Incentive Plan for 1.3 million replacement stock options with a lower exercise price and different service and performance vesting conditions. We accounted for the exchange program as a modification of the existing awards under ASC 718 and will recognize incremental compensation expense of approximately \$1.0 million over the service period of the new awards.

EXHIBIT 31.1 - CERTIFICATION PURSUANT TO RULES 13A-14(A) AND 15D-14(A) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Robert W. Pittman, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of CC Media Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 2, 2012

/s/ ROBERT W. PITTMAN  
Robert W. Pittman  
Chief Executive Officer

EXHIBIT 31.2 - CERTIFICATION PURSUANT TO RULES 13A-14(A) AND 15D-14(A) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Thomas W. Casey, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of CC Media Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 2, 2012

/s/ THOMAS W. CASEY

Thomas W. Casey

Executive Vice President and Chief Financial Officer

EXHIBIT 32.1 - CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906  
OF THE SARBANES-OXLEY ACT OF 2002

This certification is provided pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and accompanies the Quarterly Report on Form 10-Q (the "Form 10-Q") for the quarter ended September 30, 2012 of CC Media Holdings, Inc. (the "Issuer").

The undersigned hereby certifies that the Form 10-Q fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 and that the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Issuer.

Date: November 2, 2012

By: /s/ ROBERT W. PITTMAN

Name: Robert W. Pittman

Title: Chief Executive Officer

EXHIBIT 32.2 – CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906  
OF THE SARBANES-OXLEY ACT OF 2002

This certification is provided pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and accompanies the Quarterly Report on Form 10-Q (the “Form 10-Q”) for the quarter ended September 30, 2012 of CC Media Holdings, Inc. (the “Issuer”).

The undersigned hereby certifies that the Form 10-Q fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 and that the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Issuer.

Date: November 2, 2012

By: /s/ THOMAS W. CASEY

Name: Thomas W. Casey

Title: Executive Vice President and Chief Financial Officer