

**CHARTER OF THE AUDIT COMMITTEE
OF THE BOARD OF DIRECTORS
OF CLEAR CHANNEL OUTDOOR HOLDINGS, INC.**

This Charter identifies the purpose, membership, meeting requirements and committee responsibilities of the Audit Committee (the “*Committee*”) of the Board of Directors (the “*Board*”) of Clear Channel Outdoor Holdings, Inc., a Delaware corporation (the “*Company*”). Notwithstanding anything contained in this Charter to the contrary, the provisions of this Charter, and the responsibilities of the Committee hereunder, shall be subject to the obligations of and requirements applicable to the Company pursuant to the Master Agreement, dated November __, 2005 (the “*Master Agreement*”), by and between the Company and Clear Channel Communications, Inc. In the event of any conflict between the provisions of the Master Agreement and the provisions of this Charter, the provisions of the Master Agreement will control.

Purposes

The Committee assists the Board in fulfilling its responsibility for oversight of the quality and integrity of the accounting, auditing and financial reporting practices of the Company. More specifically, the Committee’s purposes are to:

1. Assist Board oversight of:
 - the quality and integrity of the financial statements of the Company,
 - the Company’s compliance with legal and regulatory requirements,
 - the independent auditors’ qualifications and independence, and
 - the performance of the Company’s internal audit function and independent auditors.

2. Prepare an audit committee report as required by the Securities and Exchange Commission (“SEC”) for inclusion in the Company’s annual proxy statement.

The independent auditors for the Company shall report directly to the Committee, and the Committee has the direct authority and responsibility for the appointment, compensation, oversight and, where appropriate, replacement of the independent auditors.

The Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities, and it shall have direct access to the independent auditors as well as anyone else in the Company. The Committee shall have the authority to retain, at the Company’s cost and expense, special independent legal, accounting, or other advisors or experts it deems necessary in the performance of its duties. The Company shall provide appropriate funding, as determined by the Committee, for payment of ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties, for payment of compensation to the special independent legal, accounting or other advisors or experts retained by the Committee and compensation to the independent auditors or any other registered public

accounting firm engaged for the purpose of rendering or issuing an audit report or related work or performing other audit, review or attest services for the Company.

Membership

The Committee shall consist of at least three directors (one of whom shall be the Chairperson of the Committee), each of whom has no material relationship with the Company and who is otherwise “independent” as defined in the listing standards of the New York Stock Exchange (the “*NYSE*”) and Rule 10A-3 promulgated under the Securities Exchange Act of 1934, as amended (the “*Exchange Act*”), except to the extent that the rules and regulations of the NYSE and such Rule 10A-3 permit the Committee to have fewer than all of its members satisfy such requirements during the first year following the effectiveness of the Company’s registration statement covering the Company’s initial public offering of its common stock. Each member will also meet the audit committee independence requirements of the listing standards of the NYSE and applicable law. All members of the Committee shall be financially literate, with at least one member having accounting or related financial management expertise, as the foregoing qualifications are interpreted by the Board in its business judgment. The Board shall also determine whether any member of the Committee is an “audit committee financial expert,” as defined by the rules of the SEC. If the Board has determined that a member of the Committee is an audit committee financial expert, it may presume that such member has accounting or related financial management experience. No director may serve as a member of the Committee if such director serves on the audit committees of more than two other public companies unless the Board determines that such simultaneous service would not impair the ability of such director to effectively serve on the Committee, and discloses this determination in the Company’s annual proxy statement.

The members of the Committee and the Chairperson shall be selected annually by the Board and serve at the pleasure of the Board. A Committee member (including the Chairperson) may be removed at any time, with or without cause, by the Board. The Board may designate one or more independent directors as alternate members of the Committee, who may replace any absent or disqualified member or members at any meetings of the Committee. No person may be made a member of the Committee if his or her service on the Committee would violate any restriction on service imposed by any rule or regulation of the SEC or the NYSE. The Chairperson shall be responsible for leadership of the Committee, including preparing the agenda, presiding over the meetings, making Committee assignments and reporting to the Board.

Meetings

The Committee shall meet at least four times per year or more frequently as it shall determine is necessary to carry out its duties and responsibilities. The time, place and notice requirements, if any, of meetings of the Committee shall be determined by the Chairperson. The Committee may meet by telephone conference call or by any other means permitted by law and the Company’s Bylaws. A majority of the members of the Committee shall constitute a quorum. The Committee shall act on the affirmative vote of a majority of members present at a meeting at which a quorum is present. Without a meeting, the Committee may act by unanimous written consent of all members. The Committee shall determine its own rules and procedures, including designation of a chairperson pro tempore, in the absence of the Chairperson, and designation of a secretary.

The secretary need not be a member of the Committee and shall attend Committee meetings and prepare minutes. The Committee shall keep minutes of each meeting and make such minutes available to the Board for its review. Following each of its meetings, the Committee shall deliver a report on the meeting to the Board, including a description of all actions taken by the Committee at the meeting.

The Committee is expected to maintain free and open communication with the independent auditors, the internal auditors and management of the Company and shall periodically meet separately with each of them. The Committee may ask members of management, or others whose advice and counsel are relevant to the issues then being considered by the Committee, to attend any meetings and to provide such pertinent information as the Committee may request.

Committee Responsibilities

To carry out its purposes, the Committee shall have the following duties and responsibilities:

1. *With Respect to the Independent Auditors*
 - Be directly responsible for the appointment, compensation, retention and oversight of the work of the independent auditors (including the resolution of disagreements between management and the independent auditors regarding financial reporting), who shall report directly to the Committee.
 - Be directly responsible for the appointment, compensation, retention and oversight of the work of any other registered public accounting firm engaged for the purpose of preparing an audit report or to perform other audit, review or attest services, which firm shall also report directly to the Committee.
 - Review and evaluate the qualifications, performance and independence of the independent auditors, including the lead partner of the independent auditors, taking into account the opinions of management and the Company's internal auditors.
 - Discuss with management the timing and process for implementing the rotation of the lead audit partner, the concurring partner and any other active audit engagement team partner, and consider whether there should be a regular rotation of the audit firm itself.
 - Present its conclusions with respect to the qualifications, performance and independence of the independent auditors to the Board.
 - Obtain and review a formal written statement from the independent auditor of the fees billed in each of the last two fiscal years for each of the following categories of services rendered by the independent auditors: (1) the audit of the Company's annual financial statements and the reviews of the financial statements included in the Company's Quarterly Reports on Form 10-Q or services that are normally provided by the independent auditors in connection

with statutory and regulatory filings or engagements; (2) assurance and related services not included in clause (1) that are reasonably related to the performance of the audit or review of the Company's financial statements, in the aggregate and by each service; (3) tax compliance, tax advice and tax planning services, in the aggregate and by each service; and (4) all other products and services rendered by the independent auditors' in the aggregate and by each service. Receive from the independent auditors the written disclosures and the letter from the independent auditors required by Independence Standards Board Standard No. 1 (Independence Standards Board Standard No. 1, Independence Discussions with Audit Committees) and discuss with the independent auditors the independent auditors' independence.

- Have a clear understanding with the independent auditors that they are ultimately accountable, and shall report directly, to the Committee.
- Obtain from the independent auditors a formal written statement delineating all relationships between the independent auditors and the Company, including all non-audit services and fees, discuss with the auditors any disclosed relationships or services that may impact the quality of audit services or the auditors' objectivity and independence, and take any appropriate action in response to the auditors' statement to ensure the independence of the independent auditors. The Committee shall also review and approve fees paid to the independent auditors and review and approve dismissal of the independent auditors.
- At least annually, obtain and review a report of the independent auditors' firm describing (1) the firm's internal quality-control procedures, (2) any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the last five years with respect to one or more independent audits carried out by the firm, and any steps taken to address any such issues, and (3) with a view towards assessing the independent auditors' independence, all relationships between the independent auditors and the Company, including each non-audit service provided to the Company.
- Have sole authority to approve (1) all audit and non-audit services (other than those non-audit services prohibited by law) to be provided by the independent auditors and (2) all fees and other terms of engagement of the independent auditors in providing such services. Before the independent auditors are engaged to perform any such non-audit services, the Committee must review and pre-approve such services. The chairperson of the Committee may represent the entire Committee for purposes of this review and approval so long as any such approval by the chairperson is disclosed to the Committee no later than the Committee's next scheduled meeting.

2. *With Respect to the Internal Auditing Department*

- Review the appointment and replacement of the director of the internal auditing department.
 - Advise the director of the internal auditing department that he or she is expected to provide to the Committee summaries of and, as appropriate, the significant reports to management prepared by the internal auditing department and management's responses thereto.
3. *With Respect to Review of Internal Audits, Annual External Audit and Quarterly Reviews*
- Review with the independent auditors the annual audit scope and plan.
 - Review on a regular basis with the independent auditors the responsibilities, budget and staffing of the Company's internal audit department.
 - Review with management and the director of internal audit the internal audit department's budget and staffing, results of the internal audit department's findings and proposed audit plans.
 - Review and discuss the following items with management and the independent auditors upon the completion of the annual audit and before issuance of the financial statements and the filing of the Form 10-K:
 - a. The Company's annual financial statements and related notes and the specific disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations."
 - b. The results of the independent auditors' audit of the financial statements and the report thereon.
 - c. The qualitative judgments about the appropriateness and acceptability of accounting principles, financial disclosures and underlying estimates, the clarity of the financial disclosure practices used or proposed to be used, and other significant decisions made in preparing the financial statements.
 - d. Any other matters about the audit procedures or findings that SAS No. 61, as amended, requires the independent auditors to discuss with the Committee.
 - e. The contents of the certificates of the Chief Executive Officer and Chief Financial Officer required pursuant to Rule 13a-15 of the Exchange Act.

Based on the review and other procedures performed as set forth in this Charter, the Committee shall make its recommendation to the Board as to the inclusion of the Company's audited financial statements in the Company's Annual Report on Form 10-K.

- Review and discuss the following items with management and the independent auditors before the filing of Form 10-Q:
 - a. The Company's quarterly financial statements and related notes and the specific disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations."
 - b. The results of the independent auditors' review of the financial statements.
 - c. The qualitative judgments about the appropriateness and acceptability of accounting principles, financial disclosures and underlying estimates, the clarity of the financial disclosure practices used or proposed to be used, and other significant decisions made in preparing the financial statements.
 - d. Any other matters about the review procedures or findings that SAS No. 71, as amended, requires the independent auditors to discuss with the Committee.
 - e. The contents of the certificates of the Chief Executive Officer and Chief Financial Officer required pursuant to Rule 13a-15 of the Exchange Act.
- Review with management and the independent auditors the financial statements, related notes and other financial disclosures included in other Company filings with the SEC containing the Company's financial statements before such filings are made.
- Review with management and the independent auditors any significant changes, either proposed or adopted, in accounting principles and their impact on the financial statements and in financial statement presentations.
- Require the independent auditors to timely (and no less than quarterly) report to the Committee (1) all critical accounting policies and practices used (or to be used), and (2) all alternate treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of these alternative disclosures and treatments, and the treatment preferred by the independent auditors.
- Review the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the Company's financial statements.
- Review with the independent auditor on a regular basis any problems or difficulties encountered while conducting the audit and the quarterly reviews and management's response, including any restrictions on the independent auditors' activities or access to requested information and any significant disagreements with management. Among the items to be reviewed are: any accounting adjustments that were noted or proposed by the auditor but were "passed" (as immaterial or otherwise), any communications between the audit team and the audit firm's national office with respect to auditing or accounting issues

presented by the engagement, and any “management” or “internal control” letter issued, or proposed to be issued, by the audit firm to the Company.

- Review with management, the independent auditors and the director of internal audit:
 - a. The Company’s internal accounting controls and any special audit or review steps adopted in light of any material control deficiencies.
 - b. Any significant findings and recommendations made by the independent auditors or internal audit, together with management’s responses thereto.
 - c. Management’s assessment of internal controls and related internal control report.
- Review and discuss the Company’s earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies. The Committee’s responsibility to review and discuss press releases as well as financial information and earnings guidance may be done generally (i.e., discussion of the types of information to be disclosed and the type of presentation to be made). The Committee need not discuss in advance each earnings release or each instance in which the Company may provide earnings guidance.

Other

- Regularly report Committee activities to the full Board with such recommendations as the Committee may deem appropriate, including any issues that arise with respect to the quality or integrity of the Company’s financial statements, the Company’s compliance with legal or regulatory requirements, the performance or independence of the independent auditors or the performance of the internal audit function.
- Discuss guidelines and policies with respect to risk assessment and risk management including the Company’s major financial risk exposures and the steps management has taken to monitor and control such exposures, including legal and ethical compliance programs.
- Oversee the Company’s Related Party Transactions Policy and fulfill such direct responsibilities with respect to related party transactions as set forth and defined in such policy.
- Review and approve all material transactions between the Company and its principal stockholder, and the other subsidiaries of its principal stockholder.
- Review periodically with management and the Chief Legal Officer the status of legal and regulatory matters that may have a material impact on the Company’s financial statements and compliance policies.

- Receive any report by legal counsel regarding any evidence of a material violation of securities laws, breach of fiduciary duty or similar violation by the Company or its agents.
- Establish and maintain appropriate procedures for (1) the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters and (2) the confidential, anonymous submission by Company employees of concerns regarding accounting or auditing matters.
- Set clear hiring policies for current and former employees of the independent auditors.
- Prepare the report, for inclusion in the Company's annual proxy statement, required by the SEC concerning certain matters relating to the Committee's activities.
- Perform an annual performance evaluation of the Committee and review and reassess the adequacy of this Charter annually. If any revisions are deemed necessary or appropriate, submit the same to the Board for its consideration and approval.

General

Although the fundamental responsibility for the Company's financial statements and disclosures does not rest with the Committee, the Committee must review: (a) major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles, and major issues as to the adequacy of the Company's internal controls and any special audit steps adopted in light of material control deficiencies; (b) analyses prepared by management and/or the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the financial statements; (c) the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company; and (d) the type and presentation of information to be included in earnings press releases (paying particular attention to any use of "pro forma," or "adjusted" non-GAAP, information) as well as review any financial information and earnings guidance provided to analysts and rating agencies.

While the Committee has the duties and responsibilities set forth in this Charter, the Committee's role is one of oversight. The Company's management is responsible for the preparation, presentation and integrity of the Company's financial statements and for the internal control over financial reporting. Management and the internal auditing department are responsible for maintaining appropriate accounting and financial reporting principles and policies and internal controls and procedures that provide for compliance with accounting standards and applicable laws and regulations. The independent auditors are responsible for auditing the annual financial statements, reviewing the Company's quarterly financial statements prior to the filing of each quarterly report on Form 10-Q and other procedures. In fulfilling these responsibilities, it is recognized that members of the Committee are not full-time employees of the Company and are not, and do not represent themselves to be, performing the functions of auditors or accountants. In this regard, management and the independent auditors have the affirmative responsibility to inform the Committee of important issues involving the Company's financial reporting accounting policies

and practices, audit matters, disclosure and internal controls in a timely and forthright manner. The Committee is not providing any expert or special assurance as to the Company's financial statements or any professional certification as to the independent auditors' work. Similarly, it is not the direct responsibility of the Committee to ensure that the Company complies with all laws and regulations.

Adopted by the Audit Committee and
approved by the Board of Directors on _____, 2005