

OPTION AGREEMENT

This Option Agreement is made as of this 31st day of October, 1995, by and between GATEWAY COMMUNICATIONS, INC., a Delaware corporation, ("Seller") and CLEAR CHANNEL TELEVISION, INC., a Nevada corporation, ("Buyer").

WHEREAS, Seller and Buyer have entered into an Asset Purchase Agreement dated as of the 29th day of June, 1995, (the "Asset Purchase Agreement") for the sale by Seller and the purchase by Buyer of certain of the assets of television broadcast station WLYH-TV, Lancaster/Lebanon, Pennsylvania (the "Station"); and

WHEREAS, the Rules and Regulations of the Federal Communications Commission ("FCC") at the present time prohibit ownership and control by one party of more than one television broadcast station licensed to the same or a nearby community; and

WHEREAS, Buyer desires to obtain the right to purchase the other assets and take assignment of the licenses of the Station excluded from the Asset Purchase Agreement, consistent with the Rules and Regulations of the FCC:

NOW, THEREFORE, for good and valuable consideration, receipt of which is herewith acknowledged, and the mutual covenants set forth in this Option Agreement, and intending to be legally bound, the parties agree as follows:

1. Terms and Exercise of Option. For the sum of \$100,000, payable to Seller, the receipt of which is hereby acknowledged, Seller herewith grants to Buyer an irrevocable option (the "Option") to acquire, upon the prior approval of the FCC, the Option Assets of the Station (as defined in the Asset Purchase Agreement and listed on Schedule 1 hereto, including the licenses, assets and all the other rights associated with the use of new

7/6/95

technology that may be obtained or used by the Station upon the terms and conditions set forth herein. Said Option shall be for a period of twenty (20) years from the date hereof. During the term of this Option, Seller shall keep the Option Assets free and clear of all liens, claims and encumbrances of any kind or nature, other than this Option. This Option may be exercised by the Buyer upon giving written notice to Seller. Upon receipt of said notice, Buyer and Seller shall, within fifteen (15) days thereof, prepare and file with the FCC an application for the assignment of licenses of the Station to the Buyer or Buyer's assignee. All filing fees and reasonable costs and expenses of the parties associated with said application shall be borne by the Buyer.

2. Closing.

(a) Closing of the sale and assignment of the Option Assets shall occur at 10 a.m. on the tenth (10th) business day following the issuance of an order of the FCC approving assignment of the license to Buyer or its assignee, which order has become final and is no longer subject to reconsideration or review by the FCC or appeal to a court of competent jurisdiction, and the time for any such review or appeal having expired. Closing shall occur at the Station in Lancaster/Lebanon or at such other time and place otherwise mutually agreeable to the parties hereto.

(b) At the Closing, Buyer shall deliver to Seller \$200,000, payable in immediately available funds, as the exercise price for the Option, and Seller shall sell and assign the Option Assets to Buyer or its assignee free and clear of all liens, claims, encumbrances or attachments and Buyer shall assume all obligations with respect to the

7/6/95

Option Assets, which shall be conveyed free and clear of all liens, claims and encumbrances of any kind or nature. Upon assignment of the licenses and other assets, after exercise of the option granted herein and obtaining the consent of the Federal Communications Commission, a final accounting and payment of monies due and owing under the Time Brokerage Agreement entered into between Seller and Buyer on even date herewith shall occur within thirty (30) days of the closing of the assignment of the license for the Station.

3. Assignment. This Agreement shall be binding upon and inure to the benefit of the parties hereto, their heirs, successors and assigns. Buyer may assign its rights under this Option Agreement to any affiliated or unaffiliated party qualified under the rules of the FCC without the consent of the Seller.

4. Notice. All notices, requests, demands and other communications that are required or may be given pursuant to the terms of this Agreement shall be in writing and shall be deemed given when delivered by hand, overnight courier, or sent by facsimile

transmission or on the day after mailing if mailed by express mail or its equivalent, postage prepaid, return-receipt requested if available, as follows:

(a) If to Seller, to:

Gateway Communications, Inc.
12 Gateway Plaza
Columbus Drive
P.O. Box 12
Johnson City, NY 13790-0012
Attention: Lamont T. Pinker, President

with a copy to:

Robert E. McQuiston
Ballard Spahr Andrews & Ingersoll
1735 Market Street
51st Floor
Philadelphia, PA 19103

(b) If to Buyer, to:

J. Daniel Sullivan
Clear Channel Television, Inc.
4431 Dyke Bennett Road
Franklin, TN 37064

with a copy to:

Kenneth E. Wyker
Vice President for Legal Affairs
Clear Channel Television, Inc.
200 Concord Plaza, Suite 600
San Antonio, TX 78216-6940

7/6/95

or to such other address as any party shall have designated by notice in writing to the other parties. Copies to counsel unaccompanied by notices to principals shall not constitute notice.

5. Entire Agreement. This Agreement constitutes the entire agreement of the parties with respect to its subject matter and supersedes all prior agreements and understandings of the parties, oral and written, with respect to its subject matter. This Agreement may be modified only by an agreement in writing executed by Seller and Buyer.

6. Further Assurances. From time to time after the date of execution hereof, the parties shall take such further action and execute such further documents, assurances and certificates as either party reasonably may request of the other to effectuate the purposes of this Agreement.

7. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument, and shall become effective when each of the parties hereto shall have delivered to it this Agreement duly executed by the other party hereto.

8. Headings. The headings in this Agreement are for the sole purpose of convenience of reference and shall not in any way limit or affect the meaning or interpretation of any of the terms or provisions of this Agreement.

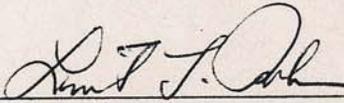
9. GOVERNING LAW. THIS AGREEMENT SHALL BE CONSTRUED UNDER AND IN ACCORDANCE WITH THE LAWS OF THE COMMONWEALTH OF PENNSYLVANIA, WITHOUT GIVING EFFECT TO THE PRINCIPLES OF CONFLICT OF LAWS.

10. FCC Filing and Local Recordation. Within 30 days hereof, Seller shall file a copy of the instant Agreement with the Federal Communications Commission in accordance with the provisions of Section 73.3613 of the FCC Rules and shall place a copy thereof in the public inspection file of the Station. The parties agree that they may also file and place this Agreement in the public records of the Commonwealth and Counties of Pennsylvania.

CLEAR CHANNEL TELEVISION, INC.

By: _____

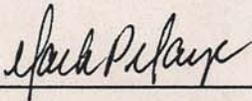
GATEWAY COMMUNICATIONS, INC.

By: 
Lamont T. Pinker
President

7/6/95

10. FCC Filing and Local Recordation. Within 30 days hereof, Seller shall file a copy of the instant Agreement with the Federal Communications Commission in accordance with the provisions of Section 73.3613 of the FCC Rules and shall place a copy thereof in the public inspection file of the Station. The parties agree that they may also file and place this Agreement in the public records of the Commonwealth and Counties of Pennsylvania.

CLEAR CHANNEL TELEVISION, INC.

By: 

GATEWAY COMMUNICATIONS, INC.

By: _____

10/19/95