

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): July 12, 1999

Crown Castle International Corp.
(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other
Jurisdiction of
Incorporation)

0-24737
(Commission File
Number)

76-0470458
(IRS Employer
Identification
Number)

510 Bering Drive
Suite 500
Houston, TX 77057
(Address of Principal Executive Office)

Registrant's telephone number, including area code: (713) 570-3000

This document includes "forward-looking" statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Other than statements of historical fact, all statements regarding industry prospects, the consummation of the transactions described in this document and the Company's expectations regarding the future performance of its businesses and its financial position are forward-looking statements. These forward-looking statements are subject to numerous risks and uncertainties.

Item 5. Other Events

On July 12, 1999, Crown Castle International Corp. ("CCIC") announced that it had reached a preliminary agreement (the "Letter Agreement") with BellSouth Carolinas PCS, L.P. ("Carolinas Partnership") and BellSouth Personal Communications, Inc. ("DCS", and together with Carolinas Partnership, the "BellSouth Affiliates"), to sublease through a master sublease agreement ("DCS Sublease") all unused space on approximately 773 personal communications services ("PCS") towers of the BellSouth Affiliates for aggregate consideration of \$317.0 million in cash (the "BellSouth PCS Transaction") based upon \$410,000 per tower. In addition, CCIC and the BellSouth Affiliates have agreed to enter into an exclusive three-year build-to-suit agreement (the "DCS Build-to-Suit Agreement").

CCIC will be responsible for managing, maintaining and leasing the available space on the BellSouth Affiliates' PCS towers located in North Carolina, South Carolina, eastern Tennessee, and Georgia (collectively, the "Territory"). While CCIC will have responsibility for the towers, and their monitoring and maintenance, the BellSouth Affiliates will continue to fully own their communications components located on the towers, including transmitters, receivers, and switching equipment. The BellSouth Affiliates will pay a maintenance fee of \$1,200 per month per site to CCIC with respect to the space on existing and build-to-suit towers retained by the BellSouth Affiliates ("Reserved Space").

The BellSouth PCS Transaction is expected to close in a series of closings, the last of which is anticipated to occur no later than December 31, 1999.

The consummation of the BellSouth PCS Transaction is subject to a number of significant conditions, including approval by each of BellSouth Corporation's Board of Directors and the Executive Committee of the Carolinas Partnership. There can be no assurance that the BellSouth PCS Transaction will be consummated on the terms described in this document or at all.

The following descriptions of agreements related to the BellSouth PCS Transaction are summaries of the material portions of the Letter Agreement or summaries of the terms of the agreements as currently contemplated by the Letter Agreement. The agreements are contemplated to be substantially the same as the Agreement to Sublease ("BMI Agreement to Sublease") among BellSouth Mobility, Inc., BellSouth Telecommunications, Inc., CCIC and TowerCo dated June 1, 1999 (including the agreements attached as exhibits to the BMI Agreement to Sublease) and filed as an exhibit to Form 8-K filed with the Securities Exchange Commission ("SEC") on June 9, 1999, except as to changes specifically contained in the Letter Agreement.

Letter Agreement

General. Pursuant to the Letter Agreement, Crown Castle South, Inc., a wholly owned subsidiary of CCIC ("TowerCo") will receive rights to lease, sublease, design,

develop, contract, operate, market and manage approximately 773 tower sites owned by, or to be constructed on the behalf of, the BellSouth Affiliates in the Territory in exchange for aggregate consideration of \$317.0 million cash (the "Consideration") based upon a price of \$410,000 per tower.

The terms and conditions of the sublease of the tower sites by the BellSouth Affiliates to TowerCo will be set forth in the DCS Sublease to be entered into between the BellSouth Affiliates and TowerCo and CCIC. Further, CCIC and the BellSouth Affiliates have agreed to enter into a site management agreement (the "DCS Site Management Agreement") pursuant to which CCIC will agree to provide certain management services on sites which are not part of towers covered by the DCS Sublease, due to restrictions on transfer, and which will be designated by the BellSouth Affiliates. The Letter Agreement further contemplates the DCS Build-to-Suit Agreement to be entered into by the BellSouth Affiliates and TowerCo pursuant to which TowerCo will develop and construct PCS towers in the Territory over a period of three years.

The Letter Agreement provides that the BellSouth PCS Transaction will require further documentation including the preparation, acceptance and delivery of a definitive agreement (the "DCS Agreement to Sublease") substantially similar to the BMI Agreement to Sublease.

Consideration. Pursuant to the Letter Agreement, TowerCo will pay to the BellSouth Affiliates the sum of \$410,000.00 for each site subleased to TowerCo pursuant to the Sublease. In the event that DCS Sublease covers all 773 towers, the aggregate consideration payable to the BellSouth Affiliates will consist of \$317.0 million in cash.

Escrow Payment. In connection with the signing of the Letter Agreement, CCIC deposited the amount of \$20.0 million into an escrow account (the "Escrow Payment"). Upon approval of the BellSouth PCS Transaction by each of BellSouth Corporation's Board of Directors and Executive Committee of the Carolinas Partnership, the BellSouth Affiliates will be entitled to receive the Escrow Payment in full in the event that:

- . the BellSouth Affiliates and CCIC fail to execute the DCS Agreement to Sublease within 30 days of the date of the Letter Agreement (and the BellSouth Affiliates have negotiated the operative documents in good faith); or
- . the DCS Agreement to Sublease is executed but the initial closing fails to occur as a result of any breach of the DCS Sublease by CCIC or TowerCo or any failure of CCIC or TowerCo to satisfy the closing conditions set forth in the DCS Agreement to Sublease.

Upon consummation of the first closing, the Escrow Payment will be returned to CCIC. Further, if BellSouth Corporation's Board of Directors or the Executive Committee of the Carolinas Partnership fails to approve the BellSouth PCS Transaction within the applicable time period, the Escrow Payment will be returned to CCIC. The BellSouth Affiliates have agreed to seek the approval of the BellSouth PCS Transaction by each of BellSouth Corporation's Board of Directors and the Executive Committee of the Carolinas Partnership as soon as practicable, but no later than July 31, 1999.

Certain Obligations of the BellSouth Affiliates. In the event that BellSouth Corporation's Board of Directors or the Executive Committee of the Carolinas Partnership does not approve the BellSouth PCS Transaction within 30 days of the Letter Agreement, and if at any

time within one year following expiration or termination of the Letter Agreement, either of the BellSouth Affiliates transfers, sells, assigns, leases, subleases or otherwise disposes of all or substantially all of the tower assets contemplated by the Letter Agreement, the selling BellSouth Affiliate will be required to pay to CCIC an amount equal to the greater of (i) \$5.0 million or (ii) one-half of the amount by which the total consideration received by the selling BellSouth Affiliate pursuant to such transfer, sale, assignment, lease or sublease exceeds the total consideration that would have been paid to the BellSouth Affiliates by CCIC pursuant to the Letter Agreement.

Closings. In connection with the Letter Agreement, the BellSouth Affiliates and CCIC have agreed that the sublease of the sites pursuant to the DCS Sublease will be consummated in a series of closings each of which will include a minimum number of sites to be included in each closing, the last of which is anticipated to occur no later than December 31, 1999. The BellSouth Affiliates have agreed to use all commercially reasonable efforts to sublease at least 250 sites at each closing until all sites have been subleased prior to or at the final closing.

Termination Right. The Letter Agreement provides that in the event that any closing contemplated by the BellSouth PCS Transaction is not consummated due to CCIC's or TowerCo's failure to comply with all conditions, covenants and representations required of them, in addition to any other remedies the BellSouth Affiliates may have at equity or law, the BellSouth Affiliates will have the right to require CCIC to pay to the BellSouth Affiliates a termination fee of \$20.0 million (the "Termination Fee"), to terminate all agreements between the parties to the Letter Agreement (the "Parties"), and at the option of DCS, to rescind all prior closings. If DCS elects to rescind the prior closings, payment of the termination fee shall be made by netting it against the amounts previously paid to the BellSouth Affiliates at the previous closings, and the BellSouth Affiliates shall return to CCIC any amount which is in excess of the Termination Fee.

DCS Sublease

Pursuant to the Letter Agreement, the Parties agreed upon the terms of the DCS Sublease which will be in substantially the same form as the Sublease entered into by CCIC and BellSouth Mobility, Inc., dated as of June 1, 1999 and filed as an exhibit to Form 8-K filed with the SEC on June 9, 1999, except as to the number of tower sites contemplated and the covered geographic territory where the tower sites are located which are both described herein.

DCS Build-to-Suit Agreement

In connection with the Letter Agreement, the Parties agreed to enter into the DCS Build to Suit Agreement which will be in substantially the same form as the Build-to-Suit Agreement entered into by CCIC and BellSouth Mobility, Inc., dated June 1, 1999 and filed with the SEC as an exhibit to Form 8-K filed by CCIC on June 9, 1999, except the term of the DCS Build-to-Suit Agreement will be for three years and there will be no minimum number of towers that must be constructed during the term of such agreement.

DCS Site Maintenance Agreement

In connection with the DCS Sublease, the Parties will enter into the DCS Site Maintenance Agreement whereby TowerCo will perform certain identified services at those sites in the Territory which are not leased or subleased to TowerCo pursuant to the DCS Sublease and

which sites are designated by the BellSouth Affiliates for inclusion in the Site Maintenance Agreement.

Site Marketing Agreement

Pursuant to the Letter Agreement, the BellSouth Affiliates and CCIC have agreed to extend the Site Marketing Agreement between BellSouth Mobility, Inc. and CCIC entered into on June 25, 1998, as amended, to cover the BellSouth Affiliates and the Territory effective on July 12, 1999, provided that the Site Marketing Agreement will be deemed terminated as to the BellSouth Affiliates and the Territory if the Letter Agreement is terminated.

Item 7. Financial Statements and Exhibits

(c) Exhibits

Exhibit No.	Description
99.1	Press Release dated July 12, 1999
99.2	Letter of Agreement among Crown Castle South, Inc., BellSouth Personal Communications, Inc. and BellSouth Carolinas PCS, L.P. dated July 1, 1999

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 hereunto duly authorized.

Crown Castle International Corp.,

By: /s/ E. Blake Hawk

Name: E. Blake Hawk
Title: Executive Vice President and
General Counsel

Date: July 12, 1999

EXHIBIT INDEX

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99.2	Letter of Agreement among Crown Castle South, Inc., BellSouth Personal Communications, Inc. and BellSouth Carolinas PCS, L.P. dated July 1, 1999

NEWS RELEASE

EASTERLY
INVESTOR RELATIONS

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Contacts: For: Crown Castle International Corp.
Ken Dennard, Easterly Investor
Relations
kdennard@easterly.com
713-529-6600

FOR IMMEDIATE RELEASE

For: BellSouth Corporation
Jeff Battcher
404-713-0274

CROWN CASTLE AND BELLSOUTH PARTNER AGAIN
FOR MORE TOWER INFRASTRUCTURE AND CONSTRUCTION

New Pact Includes 773 Towers, \$317 Million

HOUSTON and ATLANTA - JULY 12, 1999 - Crown Castle International Corp. (NASDAQ: TWRS) and BellSouth Corporation (NYSE:BLS) affiliates: BellSouth Carolinas PCS, L.P., and BellSouth Personal Communications, Inc., have reached a preliminary agreement, subject to BellSouth's board approval and, with respect to certain assets, the consents of certain BellSouth partners, for BellSouth to sublease through a master sublease agreement all unused space on its 773 personal communications services (PCS) towers to Crown Castle for \$317 million in cash. In addition, Crown Castle and BellSouth's affiliates have agreed to enter into a new exclusive three-year build-to-suit agreement.

With this transaction, Crown Castle will be responsible for managing, maintaining and leasing the available space on BellSouth's 773 PCS towers located in North Carolina, South Carolina, east Tennessee, and parts of Georgia. Crown Castle will also help BellSouth keep up with infrastructure demand for its wireless service network through exclusive construction of its build-to-suit towers. While Crown Castle will have complete responsibility for the towers and their monitoring and maintenance, BellSouth will continue to fully own its communications components including transmitters, receivers, switching equipment, etc. BellSouth will pay a fee of \$1,200 per month to Crown Castle for its services with respect to BellSouth's retained space on existing and build-to-suit towers.

"We are proud to have been chosen by BellSouth to manage, operate and lease-up its digital PCS tower footprint and construct their new builds going forward," stated Ted B. Miller, Jr., Chairman and CEO of Crown Castle International. "These clustered assets are prime properties in excellent growth markets and have no overlap with our earlier BellSouth transaction that involved over 1,850 tower sites. Additionally, these assets currently average approximately two tenants per tower, generating significant cashflow immediately. These towers are also relatively new and 85 percent are over 150 feet tall, ideally positioned for co-location and lease-up."

"We have again chosen Crown Castle based on their overall competitive bid and their existing operational expertise, allowing us to quickly close this deal," said Ed Reynolds, president of BellSouth Mobility DCS. "While our towers were bid upon by the major participants in the tower sector, pricing was not the differentiating factor and Crown Castle did not offer the highest 'per tower' bid. We chose Crown Castle based on our belief that they are the premier outsourcing partner in the tower business."

Crown Castle will provide a full array of services for BellSouth's existing and build-to-suit towers including marketing, securing all the necessary clearances, site location, procurement, tower design, construction, installation and maintenance.

The deal is expected to close by December 31, 1999.

BellSouth is a \$23 billion communications services company. It provides telecommunications, wireless communications, cable and digital TV, directory advertising and publishing, and Internet and data services to more than 34 million customers in 19 countries worldwide. For more information visit: www.bellsouth.com.

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Crown Castle International Corp. is a leading provider of communication sites and wireless network services and provides an array of related infrastructure and network support services to the wireless communications and radio and television broadcasting industries in the United States and United Kingdom. Pro forma for all closed and previously announced transactions, Crown Castle International owns, operates and manages over 7,000 wireless communication towers internationally. For more information on Crown Castle International, visit: www.crowncastle.com.

This press release contains various forward-looking statements and information that are based on Crown Castle International management's belief as well as assumptions made by and information currently available to management. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct. Such statements are subject to certain risks, uncertainties and assumptions. Should one or more of these risks materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those expected.

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Crown Castle International Corp.
510 Bering Drive
Suite 500
Houston, Texas 77057

July 1, 1999

BellSouth Personal Communications, Inc.
BellSouth Carolinas PCS L.P.
c/o Joel Peterson
BellSouth Corporation
1155 Peachtree Street
Atlanta, Georgia 30309

Re: The acquisition of certain Subleasehold Interests in Existing and Future Communications Tower Facilities and Related Infrastructure and Reservation of certain Related Interests by BellSouth Personal Communications, Inc. ("DCS"), BellSouth Carolinas PCS L.P. (the "Carolinas Partnership"), by Crown Castle South, Inc. ("TowerCo")

Dear Mr. Peterson:

This letter of agreement ("Letter Agreement") reflects the terms of a transaction (the "Transaction") among DCS, the Carolinas Partnership and TowerCo regarding the acquisition by TowerCo of certain rights to lease, sublease, design, develop, construct, operate, market and manage certain communications tower sites owned by DCS or the Carolinas Partnership or to be constructed on behalf of DCS or the Carolinas Partnership in its wireless telecommunications business in Eastern Tennessee, North Carolina, South Carolina and Georgia (the "DCS Territory").

As part of the Transaction, each of DCS and the Carolinas Partnership will sublease to TowerCo certain portions of their existing Sites (the "DCS Sites"), other than the Reserved Space (as defined in the DCS Sublease) of those DCS Sites, which DCS or the Carolinas Partnership, as applicable, is not legally precluded from subleasing to TowerCo ("Subleased Sites"). The terms and conditions of the sublease of DCS Sites by DCS and the Carolinas Partnership to TowerCo are to be set forth in the Sublease (the "DCS Sublease") between DCS, for itself and as general partner of the Carolinas Partnership, and TowerCo and Crown Castle International Corp. ("CCIC" and collectively, the "Parties"). The Transaction also consists of an agreement by TowerCo to perform certain management services on behalf of DCS and the Carolinas Partnership at those DCS Sites which are not Subleased Sites and which are designated by DCS or the Carolinas Partnership, in its discretion, to be made part of the DCS Site Maintenance Agreement between the Parties. The Transaction further consists of a Build to Suit

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Agreement (the "DCS Build to Suit Agreement") whereby, subject to DCS's existing build to suit agreements, TowerCo shall develop and construct all towers built in the Territory on behalf of DCS and the Carolinas Partnership for a period of three (3) years, provided that there shall be no minimum number of towers that must be constructed during such period.

The Parties recognize that the Transaction will require further documentation, as set forth herein, including the preparation, acceptance and delivery of a definitive agreement (the "DCS Agreement to Sublease") on the same terms and conditions as the Agreement to Sublease dated as of June 1, 1999 (the "BMI Agreement") among BellSouth Mobility, Inc., BellSouth Telecommunications, Inc., CCIC and TowerCo, with only such changes as are required to be made therein pursuant to this Letter Agreement. Capitalized terms used herein and not otherwise defined herein are used as defined in the BMI Agreement. The Parties are executing this Letter Agreement to set forth their agreement to enter into the DCS Agreement to Sublease and related documents consistent with the terms of this Letter Agreement.

1. The terms and conditions of the DCS Agreement to Sublease and related documents include the following:

a. Agreements. The Parties have executed and delivered the BMI

Agreement to Sublease and the Sublease, Build to Suit Agreement and Site Maintenance Agreement referred to therein (collectively the "BMI Agreements"), and agree that the terms and conditions of the DCS Agreement to Sublease and the related DCS Sublease, the DCS Build to Suit Agreement and the DCS Site Maintenance Agreement (collectively the "DCS Agreements") shall be the same as the respective BMI Agreements, with only such changes as are required to be made therein pursuant to this Letter Agreement. The parties shall execute and deliver the DCS Agreements on or before the Initial Closing Date.

b. Site Marketing Agreement. The Site Marketing Agreement between

BellSouth Mobility, Inc. and Crown Communication Inc. made on June 25, 1998, as amended, shall be extended to DCS and the Carolinas Partnership and to the DCS Territory effective the date the Transaction is announced (the amendment accomplishing such extension, the "DCS Amendment"), provided that the Site Marketing Agreement shall be deemed terminated as to DCS and the Carolinas Partnership and to the Territory if this Letter Agreement is terminated.

c. Consideration. At each closing, TowerCo shall pay to DCS and the

Carolinas Partnership the sum of \$410,000 for each DCS Site leased or subleased to TowerCo. Said sum shall be paid in cash at the applicable closing. Based on approximately 773 Sites, the aggregate consideration will be \$316,930,000.

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DCS and the Carolinas Partnership will lease or sublease to TowerCo all of their respective Sites, except (i) where legally prohibited from doing so, (ii) for DCS Sites excluded pursuant to paragraph 1(i) below and (iii) for DCS Sites that are otherwise excluded from the DCS Sublease pursuant to the DCS Agreement to Sublease.

d. Closing Schedule. The parties shall use reasonable commercial

efforts to cause the initial closing for the Transaction to occur as soon as practicable (the "Initial Closing Date"). Each such transfer referred to as a "closing." The DCS Agreement to Sublease shall include a procedure for adjusting the closing schedule to address Sites that do not comply with the requirements of the DCS Agreement to Sublease. DCS and the Carolinas Partnership shall use commercially reasonable efforts to sublease at least approximately two hundred fifty (250) Sites to TowerCo at each closing. The parties anticipate that the final closing will occur not later than December 31, 1999.

e. Closing. The DCS Agreement to Sublease shall provide for closings to

take place on a basis consistent with the BMI Agreement to Sublease.

f. Termination Right of DCS and the Carolinas Partnership. If the Parties

fail to consummate any one of the closings contemplated herein due to CCIC's or TowerCo's failure to comply with all the conditions, covenants and representations to be complied with by each of them in order to consummate any of the closings, in addition to any other remedies DCS or the Carolinas Partnership may have at law or in equity, DCS and the Carolinas Partnership will have the right to require CCIC to promptly pay DCS and the Carolinas Partnership a termination fee of twenty million dollars (\$20,000,000.00), whereupon the agreements between the Parties shall be terminated (including the DCS Amendment to Site Marketing Agreement, which shall be deemed terminated for CCI's default), and, at the option of DCS (for itself and behalf of the Carolinas Partnership), all prior closings shall be rescinded. If released to DCS (for itself and behalf of the Carolinas Partnership), the Escrow Fund shall be applied toward CCIC's obligation to pay the termination fee. If DCS (for itself and behalf of the Carolinas Partnership) exercises its option to rescind the prior closings, payment of the termination fee shall be made by netting it against the amounts previously paid DCS and the Carolinas Partnership at the previous closings, and DCS and the Carolinas Partnership shall pay to CCIC any amounts paid to DCS and the Carolinas Partnership at the closings which are in excess of the termination fee.

g. Remedies of CCIC. If the Parties fail to consummate any one of the

closings contemplated herein due to the failure of DCS or the Carolinas Partnership's to comply with all

the conditions, covenants and representations to be complied with by it, CCIC shall, in addition to any other remedies that may be available to CCIC at law or in equity, but subject to the limitations on liability to be set forth in the BMI Agreement to Sublease, have the right to bring an action for specific performance including attorneys' fees and costs of suit.

h. Guaranty of Performance. CCIC shall guarantee the performance of

TowerCo, unconditionally, with respect to all agreements with DCS and the Carolinas Partnership.

i. Minority Partner Rights. The Parties acknowledge and agree that the

DCS Sites in the Carolinas Partnership shall not be included in the Transaction unless and until each limited partner whose consent is required (if any is required) has given its consent to such inclusion.

2. Confidentiality. Except as provided in this Letter Agreement and as

required by law and only, to the extent time permits, after prior consultation, each of DCS and the Carolinas Partnership and CCIC shall keep this Letter Agreement and all matters related hereto confidential and shall disclose this Letter Agreement and the terms hereof and related matters only to such employees, affiliates, representatives, agents and advisors, including but not limited to attorneys, accountants, investment bankers, lenders and financial advisors who require such information in connection with the Transaction and who are informed as to the confidential nature of disclosure. CCIC shall request confidential treatment of the material price and other business terms with respect to any filings with the U.S. Securities and Exchange Commission.

3. Access to Information. To permit TowerCo to conduct its due diligence

investigation with respect to the DCS Sites and for so long as this Letter Agreement remains in effect, DCS and the Carolinas Partnership will provide to TowerCo and respective agents and attorneys reasonable access to the books and records of DCS and the Carolinas Partnership relating to the DCS Sites. CCIC will provide DCS and the Carolinas Partnership and their respective agents and attorneys reasonable access to information concerning CCIC and TowerCo, including without limitation their financial condition and operations.

4. News Releases. Upon the effectiveness of this Letter Agreement pursuant to

Paragraph 6, DCS and the Carolinas Partnership and CCIC will each have the right to issue a news release or other announcement concerning the Transaction; provided, however, that no party will issue any news release or other

announcement at any time with respect to the Transaction without the prior approval of the other party as to the contents of the announcement and its release, which approval shall not be unreasonably withheld or delayed.

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5. Term of Letter Agreement. This Letter Agreement shall terminate only upon

the earliest to occur of: (a) the execution and delivery by the Parties of the DCS Agreement to Sublease, (b) the notification by either party to the other party of its election to terminate this Letter Agreement if the DCS Agreement to Sublease has not been entered into by the Parties on or before thirty (30) days after the date hereof; or (c) the notification by either party to the other party to terminate this Letter Agreement because of the material departure by the other party from the covenants, representations or warranties of the other party set forth in this Letter Agreement. Except as set forth in Paragraph 6 or 7, any such termination shall be without further obligation.

6. Earnest Money. On the date of this Letter Agreement, CCIC has deposited \$20

million as earnest money (together with interest thereon, the "Escrow Funds") with Kilpatrick Stockton LLP, as escrow agent pursuant to that certain Escrow Agreement of even date herewith, with the understanding and agreement that the Escrow Fund will be transferred to Bank of America or another commercial bank, as escrow agent, on July 1, 1999 or as soon thereafter as practicable. DCS and the Carolinas Partnership will not be entitled to the Escrow Funds unless each of BellSouth Corporation's Board of Directors (or any applicable committee thereof) and the Executive Committee of the Carolinas Partnership has approved the Transaction. If, after such approvals, the parties fail to execute the DCS Agreement to Sublease by the date set forth in clause (b) of Paragraph 5, or if the DCS Agreement to Sublease is executed and if the first closing under the DCS Agreement to Sublease fails to occur as a result of any breach of the Agreement to Sublease by CCIC or TowerCo or a failure by CCIC or TowerCo to satisfy closing conditions set forth in the Agreement to Sublease, the Escrow Funds will be distributed to DCS (for itself and for the benefit of the Carolinas Partnership). If the DCS Agreement to Sublease is executed and the first closing occurs, the Escrow Funds will be released to CCIC. If the foregoing approvals of the Transaction are not obtained within thirty (30) after the date hereof, the Escrow Funds will be released to CCIC. If the Parties do not execute the DCS Agreement to Sublease by the date set forth in clause (b) of Paragraph 5, the Escrow Funds are distributed to DCS (for itself and for the benefit of the Carolinas Partnership), and CCIC demonstrates to a court of competent jurisdiction that DCS and the Carolinas Partnership negotiated the DCS Agreements in bad faith, then the Parties intend that the Escrow Funds, with interest since the date paid to DCS (for itself and for the benefit of the Carolinas Partnership), be repaid to CCIC. The Parties agree that said liquidated damages do not constitute a penalty and are in lieu of actual damages which would be difficult to ascertain. Said liquidated damages represent the sole remedy of DCS and the Carolinas Partnership's for TowerCo's breach of this Letter Agreement.

7. Certain Obligations of DCS and the Carolinas Partnership. (a) In

consideration of CCIC's entering into this Letter Agreement and undertaking to investigate the businesses of DCS

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BellSouth Carolinas DCS L.P.
c/o Joel Peterson
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and the Carolinas Partnership and to incur expenses in connection therewith, each of DCS and the Carolinas Partnership agrees that, until 5:00 p.m. Eastern Standard Time on the day that is thirty (30) days after the date of this Letter Agreement, neither DCS and the Carolinas Partnership nor any of their respective affiliates, nor their respective affiliates' officers, directors, key managers, agents, or advisors shall, directly or indirectly, solicit or entertain offers from, negotiate with or in any manner encourage, discuss, accept, or consider any proposal of any other person or entity relating to the sale, lease, sublease or assignment of DCS or the Carolinas Partnership's Subleased Property in the Territory. In addition, each of DCS and the Carolinas Partnership agrees immediately to cease and cause to be terminated any previously undertaken or ongoing activities, discussions or negotiations with any other person or entity with respect to any transaction of the type described in the preceding sentence. Furthermore, if DCS or the Carolinas Partnership or any of their respective affiliates, or its or its affiliates' officers, directors, key managers, agents, or advisors receives any communication regarding any offer or proposal of the type described in the first sentence of this Paragraph between the date hereof and the date that is 30 days after the date hereof, then DCS and the Carolinas Partnership shall immediately notify CCIC of the receipt of such proposal and shall promptly provide to CCIC a copy of such proposal (or if such proposal is not in writing, a written summary of its terms).

(b) The Parties acknowledge that they have reached agreement as to the terms and conditions of each of the DCS Agreements. Each of DCS and the Carolinas Partnership acknowledges that this Letter Agreement and the DCS Agreements sufficiently set forth the terms and conditions of the Transaction that DCS can commence the process of seeking approval of the Transaction by BellSouth Corporation's Board of Directors (or an appropriate committee thereof) and by the Executive Committee of the Carolinas Partnership. Each of the Parties shall use its reasonable best efforts to prepare the form of the DCS Agreements.

(c) If either the Board of Directors of BellSouth Corporation or the Executive Committee of the Carolinas Partnership does not approve the Transaction by the date that is 30 days after the date of this Letter Agreement, then, if at any time prior to the date that is one year after the date on which this Letter Agreement expires or is terminated, either DCS or the Carolinas Partnership transfers, sells, assigns, leases, subleases or otherwise disposes of all or substantially all of its Subleased Property to any person not a BellSouth Affiliate, DCS shall pay in cash to CCIC an amount equal to the greater of (i) \$5 million, or (ii) one-half of the amount by which the total consideration received by DCS and the Carolinas Partnership pursuant to such transfer, sale, assignment, lease, sublease or other disposition of all or substantially all of the Subleased Property exceeds the total amount of consideration that would have been paid to DCS and the Carolinas Partnership by CCIC under this Letter Agreement if such Sites had been leased or subleased to TowerCo hereunder.

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(d) Notwithstanding anything to the contrary in this Letter Agreement, CCIC shall have no right to bring any claim or action against DCS or the Carolinas Partnership based on a breach by DCS of its obligations to use its reasonable best efforts to obtain the approvals referred to in Paragraph 7(b) above, if each of the Board of Directors (or an appropriate committee thereof) of BellSouth Corporation and the Executive Committee of the Carolinas Partnership makes a decision with respect to the Transaction, either for or against, at any time up to thirty (30) days after the date of this Letter Agreement.

(e) Nothing in this Paragraph 7 shall be deemed to limit either DCS or the Carolinas Partnership from selling, leasing, subleasing, transferring, assigning or otherwise disposing of their respective wireless communications towers, or engaging in any of the activities of the types described in Paragraph 7(a) with respect to the wireless communications towers of DCS or the Carolinas Partnership, in connection with the sale or transfer of all or part of a wireless communications business activity, it being understood and agreed that this Paragraph 7 shall restrict DCS and the Carolinas Partnership only with respect to the sale or transfer of their towers as a separate tower business. Accordingly, neither will be required to make any payment under Paragraph 7(c) in respect of any transaction of the types described in the first or second sentence of this Paragraph 7(c).

(f) None of the provisions of this Paragraph 7 will appear in the DCS Agreement to Sublease. The Parties agree that said liquidated damages do not constitute a penalty and are in lieu of actual damages which would be difficult to ascertain. Said liquidated damages represent TowerCo's sole remedy for the breach by DCS or the Carolinas Partnership of this Letter Agreement.

8. Commissions. Each party shall be responsible for any commissions or

finder's, originator's or transaction fees payable to any person retained in connection with the Transaction.

9. Costs and Expenses. Each party shall bear its own costs and expenses in

connection with the Transaction.

10. Letter Agreement Binding. This Letter Agreement is intended to be, and

shall be construed as, an agreement with respect to the conduct of each party prior to the execution and delivery of the DCS Agreement to Sublease. This Letter Agreement is intended to be, and shall be construed as, a binding, enforceable agreement and that the obligations of the Parties hereunder shall be binding upon each party upon the execution of this Letter Agreement. This

Letter Agreement may be executed in separate counterparts, each of which shall be deemed an original, but all of which together shall constitute one agreement.

11. Counsel. Each party hereto warrants and represents that such party has

been afforded the opportunity to be represented by counsel of its choice in connection with the execution of this Letter Agreement and has had ample opportunity to read, review and understand the provisions of this Letter Agreement.

12. No Construction Against Preparer. No provision of this Letter Agreement

shall be construed against or interpreted to the disadvantage of any party by any court or other governmental or judicial authority by reason of such party's having or being deemed to have prepared or imposed such provision.

13. Authority. Each of DCS, the Carolinas Partnership and CCIC warrants and

represents that it has full and complete authority to enter into this Letter Agreement and each individual executing this Letter Agreement on behalf of it warrants and represents that he has been fully authorized to execute this Letter Agreement on behalf of it and that it is bound by the signature of such representative.

14. Limitation of Liability. Notwithstanding anything in this Letter Agreement

to the contrary, neither Party shall be liable to the other Party for indirect, incidental, special or consequential damages, including but not limited to lost profits, however arising, even if a Party has been advised of the possibility of such damages.

BellSouth Personal Communications, Inc.
BellSouth Carolinas DCS L.P.
c/o Joel Peterson
BellSouth Corporation
July 1, 1999
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If the foregoing terms are acceptable to DCS and the Carolinas Partnership, please execute a copy of this letter in the place set forth below and return it to CCIC on or before 5:00 p.m. Eastern Standard Time, July 1, 1999.

Sincerely,

CROWN CASTLE INTERNATIONAL CORP.

By: /s/ David Ivy

Name: David Ivy

Title: President

Accepted and agreed:

BELLSOUTH PERSONAL
COMMUNICATIONS, INC.

By: /s/ Joel Peterson

Name: Joel Peterson

Title: Authorized Representative

BELLSOUTH CAROLINAS DCS L.P.

By: BellSouth Personal Communications,
Inc., its general partner

By: /s/ Joel Peterson

Name: Joel Peterson

Title: Authorized Representative
