UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934
FOR THE FISCAL YEAR ENDED DECEMBER 31, 1999

Commission File Number 000-24737

CROWN CASTLE INTERNATIONAL CORP.

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	76-0470458 (I.R.S. Employer Identification No.)
510 BERING DRIVE SUITE 500 HOUSTON, TEXAS (Address of principal executive offices)	77057-1457 (Zip Code)

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

Title of Each Class of Securities Registered Pursuant to Section 12(g) of the Securities Exchange Act of 1934	Name of Exchange on Which Registered
Common Stock, $.01 par value	The NASDAQ Stock Market's National Market
Rights to Purchase Series A Participating Cumulative Preferred Stock	The NASDAQ Stock Market's National Market

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE SECURITIES EXCHANGE ACT OF 1934: NONE.

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 [X] No[ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

The aggregate market value of the voting stock held by non-affiliates of the registrant was approximately $4,054.4 million as of March 15, 2000 based on the NASDAQ closing price of $40.06 per share.

APPLICABLE ONLY TO CORPORATE REGISTRANTS

As of March 15, 2000, there were 148,543,682 shares of Common Stock outstanding and 11,340,000 shares of Class A Common Stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

The information required to be furnished pursuant to Part III of this Form 10-K will be set forth in, and incorporated by reference from, the registrant's definitive proxy statement for the annual meeting of stockholders (the "2000 Proxy Statement"), which will be filed with the Securities and Exchange Commission not later than 120 days after the end of the fiscal year ended December 31, 1999.

CROWN CASTLE INTERNATIONAL CORP.

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PART I

ITEM 1. BUSINESS

OVERVIEW

We are a leading owner and operator of towers and transmission networks for wireless communications and broadcast transmission companies. As of December 31, 1999, we owned, leased or managed 7,488 towers, including 5,319 towers in the United States and Puerto Rico and 2,071 towers in the United Kingdom. We have entered into agreements, which, when completed, will provide us with over 2,700 additional towers in the United States in 2000. In addition, we have recently entered into an agreement which is contemplated to close in the second quarter of 2000 and which will provide us with a tower portfolio of approximately 705 towers in Australia. Our customers currently include many of the world's major wireless communications and broadcast companies, including Bell Atlantic Mobile, BellSouth, AT&T Wireless, Nextel, Metricom and the British Broadcasting Corporation.

Our strategy is to use our leading domestic and international position to capture the growing opportunities to consolidate ownership and management of existing towers and other wireless and transmission infrastructure and to build and operate new towers and wireless and transmission networks and infrastructure created by:

- the transfer to third parties, or outsourcing, of tower ownership and management by major wireless carriers;
- the need for existing wireless carriers to expand coverage and improve capacity;
- the additional demand for towers and wireless infrastructure created by new entrants into the wireless communications industry;
- the privatization of state-run broadcast transmission networks; and
- the introduction of new digital broadcast transmission technology and wireless technologies.

Our main businesses are leasing antenna space on wireless and broadcast towers that can accommodate multiple tenants and operating analog and digital broadcast transmission networks and wireless networks. We also provide related services to our customers, including network design, radio frequency engineering, site acquisition, site development and construction, antenna installation and network management and maintenance. We believe that our full service capabilities are a key competitive advantage in forming strategic partnerships to acquire large concentrations of towers, or tower clusters, and in winning contracts for tower acquisitions, management and construction along with wireless and transmission network management.

Our primary business in the United States is the leasing of antenna space to wireless carriers. We believe that by owning and managing large tower clusters we are able to offer customers the ability to fulfill rapidly and efficiently their network expansion plans across particular markets or regions. Our acquisition strategy has been focused on adding tower clusters to our tower portfolio. As of December 31, 1999, we had tower clusters in 34 of the 50 largest U.S. metropolitan areas, and 68 of the 100 largest U.S. metropolitan areas.

Our primary business in the United Kingdom is the operation of television and radio broadcast transmission networks. Following the 1997 acquisition of the BBC's broadcast and tower infrastructure, we were awarded long-term contracts to provide the BBC and other broadcasters analog and digital transmission services. We also lease antenna space to wireless operators in the United Kingdom on the towers we acquired from the BBC and from various wireless carriers along with towers we have constructed. We have nationwide broadcast and wireless coverage in the United Kingdom.

Upon consummation of the agreement with Cable & Wireless Optus, we anticipate that our primary business in Australia will be the leasing of antenna space to wireless carriers. Upon completion of the Cable & Wireless Optus transaction, Crown Castle Australia will own and operate a nationwide tower portfolio

of approximately 700 towers in Australia covering over 90 percent of the population. See "--Recent and Agreed To Transactions--Cable & Wireless Optus Transaction".

We believe our towers are attractive to a diverse range of wireless communications industries, including personal communications services, cellular, enhanced specialized mobile radio, specialized mobile radio, paging, and fixed microwave, as well as radio and television broadcasting. In the United States our major customers include AT&T Wireless, Aerial, Bell Atlantic Mobile, BellSouth, Motorola, Nextel, PageNet, Metricom and Sprint PCS. In the United Kingdom our major customers include the BBC, Cellnet, Dolphin, NTL, ONdigital, One2One, Orange, Virgin Radio and Vodafone AirTouch.

We are continuing our ongoing construction program to enhance our tower portfolios. In 1999, we constructed over 900 towers. In 2000, we plan to construct approximately 1,170 towers, at an estimated aggregate cost of approximately $270 million, for lease to wireless carriers such as Bell Atlantic Mobile, BellSouth, GTE Wireless and Nextel. The actual number of towers built may be outside that range depending on acquisition opportunities and potential build-to-suit contracts from large wireless carriers.

GROWTH STRATEGY

Our objective is to become the premier global owner and operator of tower and transmission networks for wireless communications and broadcast companies. We believe our experience in expanding and marketing our tower clusters, as well as our experience in owning and operating analog and digital transmission networks, positions us to accomplish this objective. The key elements of our business strategy are to:

- MAXIMIZE UTILIZATION OF OUR TOWER CAPACITY. We are seeking to take advantage of the substantial operating leverage of our site rental business by increasing the number of antenna leases on our owned and managed communications sites. Many of our towers have significant capacity available for additional antenna space rental and that increased utilization of our tower capacity can be achieved at low incremental cost. We believe there is substantial demand for such capacity from existing carriers and broadcasters and new carriers and broadcasters. We believe that the extra capacity on our tower portfolios will be highly desirable to new entrants into the wireless communications industry. Such carriers are able to launch service quickly and relatively inexpensively by designing the deployment of their networks based on our attractive existing tower portfolios. Further, we intend to continue to selectively build and acquire additional towers to improve the coverage of our existing tower portfolios to further increase their attractiveness. We intend to continue to use targeted sales and marketing techniques to increase utilization of and investment return on our existing, newly constructed and acquired towers.

- UTILIZE THE EXPERTISE OF OUR U.S. AND U.K. PERSONNEL TO CAPTURE GLOBAL GROWTH OPPORTUNITIES. We are seeking to leverage the skills of our personnel in the United States and the United Kingdom. We believe that our ability to manage networks, including the transmission of signals, will be an important competitive advantage in our pursuit of global growth opportunities, as evidenced by our transactions with the BBC, One2One, Bell Atlantic Mobile, BellSouth, GTE and Powertel and our agreement to acquire and operate the tower network of Cable & Wireless Optus in Australia. With our wireless communications and broadcast transmission network design and radio frequency engineering expertise, we are well positioned to (1) partner with major wireless carriers to assume ownership of their existing towers; (2) provide build-to-suit towers for wireless carriers and broadcasters; (3) acquire existing broadcast transmission networks that are being privatized around the world (4) manage and operate wireless networks; and (5) deploy new wireless technologies.

- PARTNER WITH WIRELESS CARRIERS TO ASSUME OWNERSHIP OF THEIR EXISTING TOWERS. In addition to the joint ventures with Bell Atlantic Mobile and GTE Wireless and the BellSouth and BellSouth DCS transactions, we are continuing to seek to partner with other major wireless carriers to assume ownership of their existing towers directly or through joint ventures or control their towers through contractual arrangements. We believe the primary criteria of such carriers in selecting a company to own and operate their wireless communications infrastructure is the company's perceived capability to maintain the integrity of their networks, including their transmission signals. Therefore, we believe that those companies with a proven track record of providing end-to-end services will be best positioned to successfully acquire access to such wireless communications infrastructure. We believe that similar opportunities will arise globally as the wireless communications industry further expands, as evidenced by our agreement to acquire and operate the tower network of with Cable & Wireless Optus in Australia and the turnkey deployment of One2One's wireless network in Northern Ireland.

- BUILD NEW TOWERS FOR WIRELESS CARRIERS AND BROADCASTERS. As wireless carriers continue to expand and fill-in their service areas and deploy new technologies, they will require additional communications sites and will have to build new towers where multi-tenant towers are not available. We are pursuing these build-to-suit opportunities to build new towers for wireless carriers, leveraging on our ability to offer a wide range of related services.

- ACQUIRE EXISTING BROADCAST TRANSMISSION NETWORKS. In 1997, Crown Castle UK Limited successfully acquired the privatized domestic broadcast transmission network of the BBC. In addition, we are implementing the roll-out of digital television transmission services throughout the United Kingdom. As a result of this experience, we are well positioned to acquire other state-owned analog and digital broadcast transmission networks globally when opportunities arise. These state-owned broadcast transmission networks typically enjoy premier sites giving an acquirer the ability to offer unused antenna capacity to new and existing radio and television broadcasters and wireless carriers, as well as to install new technologies such as digital terrestrial transmission services. In addition, our experience in broadcast transmission services allows us to consider, when attractive opportunities arise, acquiring wireless transmission networks as well as associated wireless communications infrastructure. We are currently pursuing certain international acquisition and privatization opportunities.

- CONTINUE TO DECENTRALIZE OUR MANAGEMENT FUNCTIONS. In order to better manage our tower lease-up efforts and build-out programs, and in anticipation of the continued growth of our tower footprint throughout the United States, we have begun and plan to continue decentralizing some management and operational functions. To that end, in addition to our Pittsburgh operating headquarters and regional office, we have opened and staffed 17 regional offices, including Boston, Washington D.C., Philadelphia, Atlanta, Birmingham, Boca Raton, Charlotte, Houston, Louisville, Phoenix, Albany and Puerto Rico. The principal responsibilities of these offices are to manage the leasing of tower space on a regional basis through a dedicated local sales force, to maintain the towers already located in the region and to implement our build-to-suit commitments in the area. We believe that by moving a significant amount of our operating personnel to regional offices we will be better able to strengthen our relationship with regional carriers, serve our customers more effectively and identify additional build-to-suit opportunities with local and regional carriers.

THE COMPANY

We operate our business through our subsidiaries. Crown Communication, Crown Castle South, Crown Castle PT and the Bell Atlantic and GTE Wireless joint ventures are our principal U.S. operating subsidiaries and Crown Castle UK Limited is our principal U.K. operating subsidiary. Crown Castle Australia, a joint venture between us and an investment group lead by Fay, Richwhite Communications

Ltd. is anticipated to be our principal operating subsidiary in Australia. We also use subsidiaries to hold the assets we acquire or control as a result of various transactions we may engage in from time to time.

U.S. OPERATIONS

Overview

Our primary business focus in the United States is the leasing of antenna space on multiple tenant towers to a variety of wireless carriers under long-term lease contracts. Supporting our competitive position in the site rental business, we maintain in-house expertise in, and offer our customers, infrastructure and network support services that include network design and site selection, site acquisition, site development and construction and antenna installation.

We lease antenna space to our customers on our owned, leased and managed towers. We generally receive fees for installing customers' equipment and antennas on a tower and also receive monthly rental payments from customers payable under site rental leases that generally range in length from three to five years. Our U.S. customers include such companies as AT&T Wireless, Aerial Communications, AirTouch Cellular, Arch Communications, Bell Atlantic Mobile, BellSouth Mobility, BellSouth DCS Cellular One, Federal Express, Lucent Technologies, Motorola, Nextel, Nokia, PageNet, Powertel, Skytel, Sprint PCS, Metricom, GTE Wireless and TSR Wireless. We also provide tower space to private network operators and various federal and local government agencies, such as the FBI, the IRS and the U.S. Postal Service.

At December 31, 1999, we owned or managed 5,319 towers and 98 rooftop sites in the United States and Puerto Rico. These towers and rooftop sites are located predominantly in the eastern, midwestern and southwestern United States, along with Puerto Rico. We have recently acquired and will acquire a substantial number of towers through our recent and agreed to transactions. See "--Recent and Agreed to Transactions."

The joint venture with Bell Atlantic controls and operates 1,531 towers as of December 31, 1999. These towers represent substantially all the towers in Bell Atlantic's 850 MHz wireless network in the eastern and southwestern United States and provide coverage of 11 of the top 50 U.S. metropolitan areas including New York, Philadelphia, Boston, Washington, D.C. and Phoenix. A substantial majority of these towers are over 100 feet tall and can accommodate multiple tenants.

After completion of the BellSouth transaction, we will control and operate approximately 1,850 towers in the BellSouth tower portfolio. As of February 2, 2000, we had acquired control of 1,664 of these towers, and we expect to close on the balance by June 30, 2000. These towers represent substantially all the towers in BellSouth's 850 MHZ wireless network in the southeastern and midwestern United States and provide coverage of 12 of the top 50 U.S. metropolitan areas, including Miami, Atlanta, Tampa, Nashville and Indianapolis. A substantial majority of these towers are over 100 feet tall and can accommodate multiple tenants.

Through the Powertel acquisition, we now control and operate 650 towers. These towers represent substantially all of Powertel's owned towers in its 1.9 GHz wireless network in the southeastern and midwestern United States. Approximately 90% of these towers are clustered in seven southeastern states providing coverage of such metropolitan areas as Atlanta, Birmingham, Jacksonville, Memphis and Louisville, and a number of major connecting highway corridors in the southeast. These towers are complementary to BellSouth's 850 MHZ tower portfolio in the southeast and have minimal coverage overlap. Substantially all of these towers are over 100 feet tall, were built within the last three years and can accommodate multiple tenants.

After completion of the BellSouth DCS transaction, we will control and operate approximately 773 communications towers out of the BellSouth DCS portfolio located in North Carolina, South Carolina, east Tennessee and parts of Georgia. As of February 2, 2000, we had acquired control of 674 of these towers, and we expect to close on the balance by June 30, 2000. These towers represent substantially all of the towers in BellSouth DCS's 1.9

GHz wireless network. The towers are complementary to the towers we have acquired or are in the process of acquiring through the BellSouth transaction and the Powertel acquisition. Substantially all of these towers are over 100 feet tall and can accommodate multiple tenants.

Upon completion of all of the anticipated closings for the GTE Wireless transaction, the GTE joint venture will control and operate approximately 2,300 towers. As of January 31, 2000, the GTE joint venture had acquired control of 637 of these towers. We contemplate closing with respect to approximately 1,600 additional towers effective as of April 1, 2000. These towers represent a significant majority of the wireless communications towers of GTE Wireless. See "--Recent and Agreed to Transactions".

We are seeking to enter into arrangements with other wireless carriers and independent tower operators to acquire additional tower portfolios. However, we believe that acquisitions from major carriers in the United States, such as the Bell Atlantic Mobile, BellSouth, Powertel and GTE Wireless transactions, are substantially complete.

We also seek to capitalize on our network design expertise to construct new towers. We plan to continue to build towers in areas where carriers' signals fail to transmit in their coverage area. The areas, commonly known as "dead zones," are attractive tower locations. When population density and perceived demand are such that we believe the economics of constructing such towers are justified, we build towers that can accommodate multiple tenants. The multiple tenant design of these towers obviates the need for expensive and time consuming modifications to upgrade undersized towers, saving critical capital and time for carriers facing time-to-market constraints. The towers are also designed to easily add additional customers, and the equipment shelters are built to accommodate another floor for new equipment and air conditioning units when additional capacity is needed. The tower site is zoned for multiple carriers at the time the tower is constructed to allow new carriers to quickly utilize the site. In addition, the towers, equipment shelters and site compounds are engineered to protect and maintain the structural integrity of the site.

In connection with the Bell Atlantic joint venture and GTE joint venture, each of those joint ventures entered into master build-to-suit agreements under which the joint venture will build and own the next 500 towers to be built for the wireless communications business of Bell Atlantic and GTE Wireless, respectively, over a five-year period. In addition, following the building of such 500 sites, the Bell Atlantic joint venture will have a right of first refusal to construct the next 200 towers to be built for Bell Atlantic. The number of towers built under the GTE build-to-suit agreement is reduced by the number of certain towers built for Bell Atlantic and other carriers. Further, we have entered into similar agreements with BellSouth, as part of the BellSouth transaction, to construct at least 500 towers on behalf of BellSouth in the region covered by that transaction over the next five years, and we have a build-to-suit agreement with Powertel through 2000 as to a minimum of 40 towers.

Site Rental

In the United States, we rent antenna space on our owned and managed towers and rooftops to a variety of carriers operating cellular, personal communication services, specialized mobile radio, enhanced specialized mobile radio, paging and other networks.

Tower Site Rental. We lease space to our customers on our owned and managed towers. We generally receive fees for installing customers' equipment and antennas on a tower and also receive monthly rental payments from customers payable under site leases. In the United States, the majority of our outstanding customer leases, and the new leases typically entered into by us, have original terms of five years (with three or four optional renewal periods of five years each) and provide for annual price increases based on the Consumer Price Index. The lease agreements relating to network acquisitions generally have a base term of 10 years, with multiple renewal options, each typically ranging from five to ten years.

We also provide a range of site maintenance services in order to support and enhance our site rental business. We believe that by offering services such as antenna, base station and tower maintenance and security monitoring, we are able to offer quality services to retain our existing customers and attract future customers to our communication sites. We were the first site management company in the United States selected by a major wireless communications company to exclusively manage its tower network and market the network to other carriers for multi-tenant use of their towers.

We have existing master lease agreements with most major wireless carriers, including AT&T Wireless, Aerial Communications, Bell Atlantic Mobile, Nextel, Metricom, GTE Wireless and Sprint PCS, which provide certain terms (including economic terms) that govern new leases entered into by such parties during the term of their master lease agreements. We believe that our strategic clusters of towers will cause the master lease agreements to cover numerous towers as both incumbent and insurgent carriers expand. These master lease agreements typically have an initial lease term of ten years, with multiple renewal options, each typically ranging from five to ten years.

We have significant site rental opportunities in connection with our recent transactions as a result of the fact that such transactions usually involve a master lease agreement of some type with the transferring carrier and the opportunity to lease additional space with other carriers. In connection with each of the Bell Atlantic and GTE joint ventures, we entered into a global lease under which Bell Atlantic and GTE Wireless lease antenna space on the towers transferred to the joint ventures, as well as the towers built under the build-to-suit agreement. In connection with the BellSouth and BellSouth DCS transactions, we are paid a monthly site maintenance fee from BellSouth for its use or maintenance of space on the towers we control. Further, in connection with the Powertel acquisition, we entered into an agreement under which the sellers rent space on the towers we acquired from them. In each of these transactions, we are permitted to lease additional space on the towers to third parties. See "--Recent and Agreed to Transactions".

Rooftop Site Rental. We are a leading rooftop site management company in the United States. Through our subsidiary, Spectrum, we develop new sources of revenue for building owners by effectively managing all technical aspects of rooftop telecommunications, including two-way radio systems, microwave facilities, fiber optics, wireless cable, paging, rooftop infrastructure services and optimization of equipment location. We also handle billing and collections and all calls and questions regarding the site, totally relieving the building's management of this responsibility. In addition to the technical aspects of site management, we provide operational support for both wireless carriers looking to build out their wireless networks, and building owners seeking to out source their site rental activities. We generally enter into management agreements with building owners and receive a percentage of the revenues generated from the tenant license agreements.

Network Services

We design, build and operate our own communication sites. We have developed an in-house expertise in certain value-added services that we offer to the wireless communications and broadcasting industries. Because we are a provider of total systems with "end-to-end" design, construction and operating expertise, we offer our customers the flexibility of choosing between the provision of a full ready-to-operate network infrastructure or any of the component services involved therein. Such services include network design and site selection, site acquisition, site development and construction and antenna installation.

Network Design and Site Selection. We have extensive experience in network design and engineering and site selection. While we maintain sophisticated network design services primarily to support the location and construction of our multiple tenant towers, we do from time to time provide network design and site selection services to carriers and other customers on a consulting contract basis. Our network design and site selection services provide our customers with relevant information, including recommendations regarding location and height of towers, appropriate types of antennas, transmission power and frequency selection and related fixed network considerations. In 1999, we provided network design services primarily for our own portfolios and also for certain customers, including Triton Communications, Nextel, Aerial Communications, Bell Atlantic and Sprint PCS. These customers were typically charged on a time and materials basis.

To capitalize on the growing concerns over tower proliferation, we have developed a program through which we are attempting to form strategic alliances with local governments to create a single communications network in their communities. To date our efforts have focused on select locations in the eastern United States, where we have formed alliances with three municipalities. These alliances are intended to accommodate wireless carriers and local public safety, emergency services and municipal services groups as part of an effort to minimize tower proliferation. By promoting towers designed for multiple tenants, these alliances will reduce the number of towers in communities while serving the needs of wireless carriers and wireless customers.

Site Acquisition. In the United States, we are engaged in site acquisition services for our own purposes and for third parties. Based on data generated in the network design and site selection process, a "search ring," generally of a one-mile radius, is issued to the site acquisition department for verification of possible land purchase or lease deals within the search ring. Within each search ring, Geographic Information Systems specialists select the most suitable sites, based on demographics, traffic patterns and signal characteristics. Once a site is selected and the terms of an option to purchase or lease the site are completed, a survey is prepared and the resulting site plan is created. The plan is then submitted to the local zoning/planning board for approval. If the site is approved, our construction department takes over the process of constructing the site.

We have provided site acquisition services to numerous customers, including AT&T Wireless, Aerial Communications, AirTouch Cellular, Bell Atlantic Mobile, BellSouth, GTE, Nextel, Omnipoint, Pagemart, Sprint PCS and Teligent. These customers engage us for such site acquisition services on either a fixed price contract or a time and materials basis.

Site Development and Construction and Antenna Installation. We have provided site development and construction and antenna installation services to the U.S. communications industry for over 18 years. We have extensive experience in the development and construction of tower sites and the installation of antenna, microwave dishes and electrical and telecommunications lines. Our site development and construction services include clearing sites, laying foundations and electrical and telecommunications lines, and constructing equipment shelters and towers. We have designed and built and presently maintain tower sites for a number of our wireless communications customers and a substantial part of our own tower network. We can provide cost-effective and timely completion of construction projects in part because our site development personnel are cross-trained in all areas of site development, construction and antenna installation. We generally set prices for each site development or construction service separately. Customers are billed for these services on a fixed price or time and materials basis and we may negotiate fees on individual sites or for groups of sites. We have the capability, expertise and contractual arrangements to install antenna systems for our paging, cellular, personal communications services, specialized mobile radio, enhanced specialized mobile radio, microwave and broadcasting customers. As this service is performed, we use our technical expertise to ensure that there is no interference with other tenants. We typically bill for our antenna installation services on a fixed price basis.

Our construction management capabilities reflect our extensive experience in the construction of networks and towers. For example, Crown Communication was instrumental in launching networks for Sprint PCS, Nextel and Aerial Communications in the Pittsburgh major trading area. In addition, Crown Communication supplied these carriers with all project management and engineering services which included antenna design and interference analyses.

In 1999, we provided site development and construction and antenna installation services to a majority of our new tower site tenants in the United States, including AT&T Wireless, Bell Atlantic Mobile, Nextel and Sprint PCS.

Broadcast Site Rental and Services

We also provide site rental and related services to customers in the broadcasting industry in the United States. The launch of digital terrestrial television in the United States will require significant expansion and modification of the existing broadcast infrastructure. Because of the significant cost involved and expertise required in the construction or modification of broadcast towers, and the large capital expenditures broadcasters will incur in acquiring digital broadcast equipment, we believe that the television broadcasting industry will seek to outsource significant services relating to digital broadcasting and potentially tower ownership. We believe that our experience in providing digital transmission services in the United Kingdom will make us an attractive provider of certain digital broadcast services to the major networks and their affiliates.

Electronic news gathering systems benefit from the towers and services we offer. The electronic news gathering trucks, often in the form of local television station news vans with telescoping antennas on their roofs, send live news transmission back to the studio from the scene of an important event. Typically, these vans cannot transmit signals beyond about 25 miles. In addition, if they are shielded from the television transmitter site, they cannot make the connection even at close range. We have developed a repeater system for such news gathering that can be used on many of our towers and which is currently in use on towers located in western Pennsylvania. This system allows the van to send a signal to one of our local towers where the signal is retransmitted back to the television transmitter site. The retransmission of the signal from our tower to the various television transmitter sites is done via a microwave link. We charge the station for the electronic news gathering receiver system at the top of our tower and also charge them for the microwave dish they place on our tower. Our electronic news gathering customers are affiliates of the NBC, ABC, CBS and Fox television networks.

We also have employees with considerable direct construction experience and market knowledge in the U.S. broadcasting industry, having worked with numerous television networks around the United States, and a number of other local broadcasting companies. We have installed master FM and television systems on buildings across the country. We have supervised the construction and operation of the largest master FM antenna facility in the United States along with the antenna facilities on the John Hancock Building in Chicago and have engineered and installed two 2,000 foot broadcast towers with master FM antennas.

Significant Contracts

We have many agreements with telecommunications providers in the United States, including leases, site management contracts and independent contractor agreements. We currently have important contracts with, among others, Bell Atlantic Mobile, BellSouth, Mobility, BellSouth DCS, GTE Wireless, Powertel and Nextel.

Customers

In both our site rental and network services businesses, we work with a number of customers in a variety of businesses including cellular, personal communications services, enhanced specialized mobile radio, paging and broadcasting. We work primarily with large national carriers such as Bell Atlantic Mobile, BellSouth, Sprint PCS, Nextel and AT&T Wireless. For the year ended December 31, 1999, no customer in the United States accounted for more than 10.0% of our consolidated revenues.

Industry	Selected Customers
Cellular	AT&T Wireless, Bell Atlantic Mobile, BellSouth, Mobility, GTE Wireless
Personal Communications Services	Sprint PCS, Western Wireless, Powertel, BellSouth DCS
Broadcasting	Hearst Argyle Television, Trinity Broadcasting
Specialized Mobile Radio / Enhanced Specialized Mobile Radio	Nextel, SMR Direct
Governmental Agencies	FBI, INS, Puerto Rico Police
Private Industrial Users	IBM, Phillips Petroleum
Data	Ardis, RAM Mobile Data
Paging	AirTouch, PageNet, TSR Wireless
Utilities	Equitable Resources, Nevada Power
Other	WinStar, Teligent

Sales and Marketing

Our sales and marketing personnel, located in our regional offices, target carriers expanding their networks, entering new markets, bringing new technologies to market and requiring maintenance or add-on business. All types of wireless carriers are targeted including broadcast, cellular, paging, personal communications services, microwave and two-way radio. We are also interested in attracting 9-1-1, federal, state, and local government agencies, as well as utility and transportation companies to locate on existing sites. Our objective is to pre-sell capacity on our towers by promoting sites prior to construction. Rental space on existing towers is also aggressively marketed and sold.

We utilize numerous public and proprietary databases to develop detailed target marketing programs directed at awardees of bandwidth licenses auctioned by the government, existing tenants and specific market groups. Mailings focus on regional build outs, new sites and services. The use of databases, such as those with information regarding sites, demographic data, licenses and deployment status, coupled with actual signal strength measurements taken in the field and specialized computer programs that accurately predict the service area of a particular radio signal from any given transmission point, allows our sales and marketing personnel to target specific carriers' needs for specific sites. To foster productive relationships with our major existing tenants and potential tenants, we have formed a team of account relationship managers. These managers work to develop new tower construction, site leasing services and site management opportunities, as well as ensure that customers' emerging needs are translated into new site products and services.

The marketing department maintains our visibility within the wireless communications industry through regular advertising and public relations efforts including sponsorship of a third generation wireless communication showcase, actively participating in trade shows and generating regular press releases, newsletters and targeted mailings (including promotional flyers). Our promotional activities range from advertisements and site listings in industry publications to maintaining a presence at national trade shows. Potential clients are referred to our Web site, which contains Company information as well as site listings. In addition, our sites are listed on the Cell Site Express Web site. This Web site enables potential tenants to locate existing structures by latitude, longitude or address. Clients can easily contact us via e-mail through our Web site or Cell Site Express. Our network services capabilities are marketed in conjunction with our tower portfolios.

To follow up on targeted mailings and to cold-call on potential clients, we have established a telemarketing department. Telemarketers field inbound and outbound calls and forward leads to local sales representatives or relationship managers for closure. Local sales representatives are stationed in each cluster to develop and foster close business relationships with decision-makers in each customer organization. Sales professionals work with marketing specialists to develop sales presentations targeting specific client demands.

In addition to a dedicated, full-time sales and marketing staff, a number of senior managers spend a significant portion of their efforts on sales and marketing activities. These managers call on existing and prospective customers and also seek greater visibility in the industry through speaking engagements and articles in national publications. Furthermore, many of these managers have been recognized as industry experts, are regularly quoted in articles and are called on to testify at local hearings and to draft local zoning ordinances.

Public and community relations efforts include coordinating community events, such as working with amateur radio clubs to supply emergency and disaster recovery communications, charitable event sponsorship, and promoting charitable donations through press releases.

Competition

In the United States, we compete with other independent tower owners, some of which also provide site rental and network services; wireless carriers, which own and operate their own tower networks; service companies that provide engineering and site acquisition services; and other potential competitors, such as utilities, outdoor advertisers and broadcasters, some of which have already entered the tower industry. Wireless carriers that own and operate their own tower networks generally are substantially larger and have greater financial resources than we have. We believe that tower location, capacity, price, quality of service and density within a geographic market historically have been and will continue to be the most significant competitive factors affecting tower rental companies. We also compete for acquisition and new tower construction opportunities with wireless carriers, site developers and other independent tower operating companies. We believe that competition for tower site acquisitions will increase and that additional competitors will enter the tower market, some of which may have greater financial resources than us.

The following is a list of the larger independent tower companies that we compete with in the United States: American Tower Corp., Pinnacle Towers, SpectraSite and SBA Communications.

The following companies are primarily competitors for our rooftop site management activities in the United States: AAT Communications, American Tower Corp., APEX Site Management, Commsite International, Pinnacle Towers, JJS Leasing, Inc., Signal One, Subcarrier Communications and Tower Resources Management.

We believe that the majority of our competitors in the site acquisition business operate within local market areas exclusively, while a small minority of firms appear to offer their services nationally, including SBA Communications Corporation, Whalen & Company and Gearon & Company (a subsidiary of American Tower Corp.). We offer our services nationwide and we believe we are currently one of the largest providers of site development services to the U.S. and international markets. The market includes participants from a variety of market segments offering individual, or combinations of, competing services. The field of competitors includes site acquisition consultants, zoning consultants, real estate firms, right-of-way consulting firms, construction companies, tower owners/managers, radio frequency engineering consultants, telecommunications equipment vendors (which provide turnkey site development services through multiple subcontractors) and carriers' internal staff. We believe that carriers base their decisions on site development services on certain criteria, including a company's experience, track record, local reputation, price and time for completion of a project. We believe that we compete favorably in these areas.

U.K. OPERATIONS

Overview

We own and operate, through our 80% interest in Crown Castle UK Limited (formerly known as "Castle Transmission International Ltd."), one of the world's most established television and radio transmission networks and are expanding our leasing of antenna space on our towers to a variety of wireless carriers. We provide transmission services for four of the six digital terrestrial television services in the U.K., two BBC analogue television services, six national BBC radio services (including the first digital audio broadcast service in the United Kingdom), 37 local BBC radio stations and two national commercial radio services through our network of transmitters, which reach 99.4% of the U.K. population. These transmitters are located on approximately 1,300 towers, more than half of which we own and the balance of which are licensed to us under a site-sharing agreement with NTL, our principal competitor in the United Kingdom. We have also secured long-term contracts to provide digital television transmission services to the BBC and ONdigital. See "--Significant Contracts." In addition to providing transmission services, we also lease antenna space on our transmission infrastructure and over 770 communications towers in the United Kingdom to various communications service providers, including One2One, Cellnet, Orange and Vodafone, and provide telecommunications network installation and maintenance services and engineering consulting services.

Our core revenue generating activity in the United Kingdom is the analog and digital terrestrial transmission of radio and television programs broadcast by the BBC. Crown Castle UK Limited's business, which was formerly owned by the BBC, was privatized under the Broadcasting Act 1996 and sold to Crown Castle UK Limited in February 1997. At the time the BBC home service transmission business was acquired, Crown Castle UK Limited entered into a 10-year transmission contract with the BBC for the provision of terrestrial analog television and analog and digital radio transmission services in the United Kingdom. The digital contract was added in 1998 as described below. In the 12 months ended December 31, 1999, approximately 50% of Crown Castle UK Limited's consolidated revenues were derived from the provision of services to the BBC.

At December 31, 1999, we owned, leased or licensed 1,942 transmission sites (excluding rooftops) on which we operated 2,020 towers (excluding rooftops). In addition, as of December 31, 1999, we were constructing two new towers on existing sites and had approximately 12 site acquisition projects in process for new tower sites. We have 51 revenue producing rooftop sites that are occupied by our transmitters but are not available for leasing to our customers. Our sites are located throughout England, Wales, Scotland and Northern Ireland.

We expect to significantly expand our existing tower portfolios in the United Kingdom by building and acquiring additional towers. We believe our existing tower network encompasses many of the most desirable tower locations in the United Kingdom for wireless communications. However, due to the shorter range over which communications signals carry (especially newer technologies such as personal communications networks) as compared to broadcast signals, wireless communications providers require a denser portfolio of towers to cover a given area. Therefore, in order to increase the attractiveness of our tower portfolios to wireless communications providers, we will seek to build or acquire new communications towers. Using our team of over 300 engineers with state-of-the-art network design and radio frequency engineering expertise, we locate sites and design towers that will be attractive to multiple tenants. We seek to leverage such expertise by entering into new tower construction contracts with various carriers, such as British Telecom, Cable & Wireless Communications, Cellnet, Dolphin, Energis, Highway One, One2One, Orange and Scottish Telecom, thereby securing an anchor tenant for a site before incurring capital expenditures for the site build-out. As of December 31, 1999, we were building 14 towers that we will own. In addition, we expect to make some strategic acquisitions of existing communications sites.

On March 31, 1999, Crown Castle UK Limited completed the One2One transaction, under which Crown Castle UK Limited will manage, develop and, at its option, acquire 821 towers. These towers represent substantially all the towers in One2One's nationwide 900 MHz wireless network in the United Kingdom. These towers will allow Crown Castle UK Limited to market a nationwide network of towers to third generation

wireless carriers in the United Kingdom following the completion of the pending auction of such licenses by the U.K. government.

We believe that we generally have significant capacity on our towers in the United Kingdom. Although approximately 206 of our towers are poles with limited capacity, we typically will be able to build new towers that will support multiple tenants on these sites (subject to the applicable planning process). We intend to upgrade these limited capacity sites where we believe we can achieve appropriate returns to merit the necessary capital expenditure. Approximately 60 of our sites are used for medium frequency broadcast transmissions. At this frequency, the entire tower is used as the transmitting antenna and is therefore electrically "live." Such towers are therefore unsuitable for supporting other tenant's communications equipment. However, medium frequency sites generally have substantial ground area available for the construction of new multiple tenant towers.

Transmission Business

Analog. For the 12 months ended December 31, 1999, Crown Castle UK Limited generated approximately 42% of its revenues from the provision of analog broadcast transmission services to the BBC. Under the BBC analog transmission contract, we provide terrestrial transmission services for the BBC's analog television and radio programs and certain other related services (including BBC digital radio) for an initial 10-year term through March 31, 2007. See "--Significant Contracts." For the 12 months ended December 31, 1999, the BBC Analog Transmission Contract generated revenues of approximately (Pounds)50.8 million ($82.1 million) for us.

In addition to the BBC analog transmission contract, we have separate contracts to provide maintenance and transmission services for two national radio stations, Virgin Radio and Talk Radio. The Virgin Radio contract is for a period of eight years commencing on March 31, 1993. The Talk Radio Contract commenced on February 4, 1995 and expires on December 31, 2008.

We own all of the transmission equipment used for broadcasting the BBC's domestic radio and television programs, whether located on one of Crown Castle UK Limited's sites or on an NTL or other third-party site. As of December 31, 1999, Crown Castle UK Limited had 3,777 transmitters, of which 2,497 were for television broadcasting and 1,280 were for radio.

A few of our most powerful television transmitters together cover the majority of the U.K. population. The coverage achieved by the less powerful transmitters is relatively low, but is important to the BBC's ambition of attaining universal coverage in the United Kingdom. This is illustrated by the following analysis of the population coverage of our analog television transmitters:

Number of Sites (ranked by coverage)	Combined Population Coverage
1 (Crystal Palace).....	21.0%
top 16.....	79.0
top 26.....	86.0
top 51.....	92.0
all.....	99.4

All of our U.K. transmitters are capable of unmanned operation and are maintained by mobile maintenance teams from 27 bases located across the United Kingdom. Access to the sites is strictly controlled for operational and security reasons, and buildings at 140 of the sites are protected by security alarms connected to Crown Castle UK Limited's Technical Operations Centre at Warwick. The Site-Sharing Agreement provides us with reciprocal access rights to NTL's broadcast transmission sites on which we have equipment.

Certain of our transmitters that serve large populations or important geographic areas have been designated as priority transmitters. These transmitters have duplicated equipment so that a single failure will not result in

total loss of service but will merely result in an output-power reduction that does not significantly degrade the service to most viewers and listeners.

Digital. In 2000, we have completed contracts with the holders (including the BBC) of four of the six DTT multiplexes allocated by the U.K. government to design, build and operate their digital transmission networks. In connection with the implementation of digital terrestrial television, new transmission infrastructure was required. The multiplexes required 81 transmission sites to be upgraded with new transmitters and associated systems to support digital terrestrial television and provide digital coverage to approximately 93% of the U.K. population. Of these new transmitters and associated systems, 49 are owned by us and the remainder are on NTL towers pursuant to a site sharing arrangement. Our costs to add the new transmitters and associated systems was approximately (Pounds) 100.0 million ($170.0 million).

We successfully began commercial operation of the digital terrestrial television networks from an initial 22 transmission sites on November 15, 1998. This launch marks the first stage of the project to introduce the digital broadcast system that will eventually replace conventional analog television services in the United Kingdom. We have accepted an invitation from the U.K. television regulator, the Independent Television Commission, to play a major role in planning further digital terrestrial television network extensions to be built in the year 2000 and beyond.

We currently provide transmission services for digital radio broadcasts in the United Kingdom. In September 1995, the BBC launched, over our transmission network, its initial bandwidth scheme for transmission equipment with the ability to compensate for varying data rates by automatically adjusting the amount of frequency band used, and this service is now broadcast to approximately 60% of the U.K. population. A license for an independent national digital radio network was awarded to the Digital One consortium during 1998. We are in negotiations to provide accommodation and access to masts (towers) and antennas at 24 transmission sites to Digital One. In addition, local digital radio licenses were awarded during 1999. We believe we are well positioned to become the transmission service provider to the winners of such licenses.

Site Rental

The BBC transmission network provides a valuable initial portfolio for the creation of wireless communications networks. As of December 31, 1999, approximately 200 companies rented antenna space on approximately 1,665 of Crown Castle UK Limited's 2,071 towers and rooftops. These site rental agreements have normally been for three to 12 years and are generally subject to rent reviews every three years. Site sharing customers are generally charged annually in advance, according to rate cards that are based on the antenna size and position on the tower. Our largest site rental customer in the United Kingdom is NTL under the Site-Sharing Agreement and the digital broadcasting site sharing agreement. This agreement generated approximately (Pounds) 9.1 million ($14.7 million) of site rental revenue for the year ended December 31, 1999.

As in the United States, we provide a range of site maintenance services in the United Kingdom in order to support and enhance our site rental business. We complement our U.K. transmission experience with our site management experience in the United States to provide customers with a top-of-the-line package of service and technical support.

Other than NTL, Crown Castle UK Limited's largest (by revenue) site rental customers consist mainly of wireless carriers such as Cellnet, One2One, Orange and Vodafone. Revenues from these non-BBC sources are expected to become an increasing portion of Crown Castle UK Limited's total U.K. revenue base, as the acquired BBC home service transmission business is no longer constrained by governmental restrictions on the

BBC's commercial activities. We believe that the demand for site rental from communication service providers will increase in line with the expected growth of these communication services along with the deployment of new technologies such as third generation mobile communications, or 3G, in the United Kingdom.

We have master lease agreements with all of the major U.K. telecommunications site users including British Telecom, Cable & Wireless Communications, Cellnet, Dolphin, Energis, Highway One, One2One, Orange, Scottish Telecom and Vodafone AirTouch. These agreements typically specify the terms and conditions (including pricing and volume discount plans) under which these customers have access to all sites within our U.K. portfolio. Customers make orders for specific sites using the standard terms included in the master lease agreements. As of December 31, 1999, there were approximately 911 applications in process for installations at existing sites under such agreements.

Network Services

Crown Castle UK Limited provides broadcast and telecommunications engineering services to various customers in the United Kingdom. We retained substantially all of the BBC home service transmission business employees when we acquired Crown Castle UK Limited. Accordingly, we have engineering and technical staff of the caliber and experience necessary not only to meet the requirements of our current customer base, but also to meet the challenges of developing digital technology. Within the United Kingdom, Crown Castle UK Limited has worked with several telecommunications operations on design and build projects as they roll-out their networks. Crown Castle UK Limited has had success in bidding for broadcast consulting contracts, including, over the last four years, in Thailand, Taiwan, Poland and Sri Lanka. With the expertise of our engineers and technical staff, we are a provider of complete systems to the wireless communications and broadcast industries.

Network Design and Site Selection. We have extensive experience in network design and engineering and site selection. Our U.K. customers, therefore, also receive the benefit of our sophisticated network design and site selection services.

Site Acquisition. As in the United States, in the United Kingdom we are involved in site acquisition services for our own purposes and for third parties. We recognize that the site acquisition phase often carries the highest risk for a project. To ensure the greatest possible likelihood of success and timely acquisition, we combine a desktop survey of potential barriers to development with a physical site search with relevant analyses, assessments and, where necessary, surveys. We seek to take advantage of our experience in site acquisition and co-location when meeting with local planning authorities.

Site Development and Antenna Installation. We use a combination of external and internal resources for site construction. Our engineers are experienced in both construction techniques and construction management, ensuring an efficient and simple construction phase. Selected civil contractors are managed by Crown Castle UK Limited staff for the ground works phase. Specialist erection companies, with whom we have a long association, are used for tower installation. Final antenna installation is undertaken by our own experienced teams.

Site Management and Other Services. We provide complete site management, preventive maintenance, fault repair and system management services to the Scottish Ambulance Service. We also maintain a mobile radio system for the Greater Manchester Police and provide maintenance and repair services for transmission equipment and site infrastructure.

Significant Contracts

Crown Castle UK Limited's principal analog broadcast transmission contract is the BBC analog transmission contract. Crown Castle UK Limited also has entered into two digital television transmission contracts, the BBC digital transmission contract and the ONdigital digital transmission contract. Under the site-sharing agreement, Crown Castle UK Limited also gives NTL access to facilities to provide broadcast transmission to non-Crown Castle UK Limited customers. Crown Castle UK Limited also has long-term service agreements with broadcast customers such as Virgin Radio and Talk Radio. In addition, Crown Castle UK

Limited has several agreements with telecommunication providers, including leases, site management contracts and independent contractor agreements. Crown Castle UK Limited has entered into contracts to design and build infrastructure for customers such as Cellnet, One2One, Orange, Scottish Telecom and Vodafone AirTouch, including the turnkey network contract for One2One in Northern Ireland.

BBC Analog Transmission Contract. Crown Castle UK Limited entered into a 10-year transmission contract with the BBC for the provision of terrestrial analog television and analog and digital radio transmission services in the United Kingdom at the time the BBC home service transmission business was acquired. The BBC analog transmission contract provides for charges of approximately (Pounds)46.5 million ($77.3 million) to be payable by the BBC to Crown Castle UK Limited for the year ended March 31, 1998 and each year thereafter through the termination date, adjusted annually at the inflation rate less 1%. In addition, for the duration of the contract an annual payment of (Pounds)300,000 ($498,840) is payable by the BBC for additional broadcast-related services. At the BBC's request, since October 1997, the number of television broadcast hours has been increased to 24 hours per day for the BBC's two national television services, which has added over (Pounds)500,000 ($831,400) annually to the payments made by the BBC to us. On July 16, 1999, the BBC and Crown Castle UK Limited amended the transmission contract to allow Crown Castle UK Limited to provide certain liaison services to the BBC.

The BBC analog transmission contract also provides for Crown Castle UK Limited to be liable to the BBC for "service credits" (i.e., rebates of its charges) in the event that certain standards of service are not attained as a result of what the contract characterizes as "accountable faults" or the failure to meet certain "response times" in relation to making repairs at certain key sites. We believe that Crown Castle UK Limited is well-equipped to meet the BBC's service requirements by reason of the collective experience its existing management gained while working with the BBC. Following completion of formal six-month performance reviews, Crown Castle UK Limited achieved a 100% "clean sheet" performance, incurring no service credit penalties.

The initial term of the BBC Analog Transmission Contract ends on March 31, 2007. Thereafter, the BBC Analog Transmission Contract may be terminated with 12 months' prior notice by either of the parties, expiring on March 31 in any contract year, from and including March 31, 2007. It may also be terminated earlier:

(1) by mutual agreement between Crown Castle UK Limited and the BBC,

(2) by one party upon the bankruptcy or insolvency of the other party within the meaning of section 123 of the Insolvency Act 1986,

(3) upon certain force majeure events with respect to the contract as a whole or with respect to any site (in which case the termination will relate to that site only),

(4) by the non-defaulting party upon a material breach by the other party; and

(5) upon the occurrence of certain change of control events (as defined in the BBC Analog Transmission Contract).

BBC Commitment Agreement. On February 28, 1997, in connection with the acquisition of the BBC home service transmission business, the Company, TdF, TeleDiffusion de France S.A., which is the parent company of TdF and DFI, and the BBC entered into the BBC commitment agreement, whereby we and TdF agreed (1) not to dispose of any shares in Crown Castle UK Holdings Limited (formerly known as "Castle Transmission Services (Holdings) Limited") or any interest in such shares, or enter into any agreement to do so, until February 28, 2000; and (2) to maintain various minimum indirect ownership interests in Crown Castle UK Limited and Crown Castle UK Holdings Limited for periods ranging from three to five years commencing February 28, 1997. These provisions restrict our ability and the ability of TdF to sell, transfer or otherwise dispose of their respective Crown Castle UK Holdings Limited shares, and, indirectly, their Crown Castle UK Limited shares. The restrictions do not apply to disposals of which the BBC has been notified in advance and to which the BBC has given its prior written consent, which, subject to certain exceptions, consent shall not be unreasonably withheld or delayed. On July 17, 1999, in return

for the provision of liaison services by Crown Castle UK Limited to the BBC described above, the BBC consented to the recent amendment to the TdF agreements.

The BBC commitment agreement also required TdF's parent and us to enter into a services agreements with Crown Castle UK Limited. The original services agreement entered into by TdF's parent and Crown Castle UK Limited on February 28, 1997, under which TdF makes available certain technical consultants, executives and engineers to Crown Castle UK Limited, was amended on August 21, 1998 to extend the original minimum term of services provided from three years to seven years, commencing February 28, 1997, thereafter terminable on 12-months' prior notice given by Crown Castle UK Limited to TdF after February 28, 2003.

Further, the Department of Trade and Industry in the United Kingdom, or DTI, in December 1999 recommended to the Office of Fair Trading that as a condition to not referring a proposed 25% equity investment in NTL by TdF's parent (France Telecom) to the Competition Commission, TdF should be required to undertake to dispose of its investment in Crown Castle UK Holdings Limited and us. The publicly-announced purpose of the investment by France Telecom in NTL is to finance NTL's acquisition of Cable and Wireless Communications, which acquisition was recently approved by the Competition Commission. A draft of the recommended undertakings was published on March 29, 2000 and essentially requires TdF to (1) sell all of its interest in us (including Crown Castle UK Holdings Limited) within four months following the date on which the UK Secretary of State announced the UK Competition Commission's approval of NTL's acquisition of the cable business of Cable and Wireless Communications (March 23, 2000, unless a later date is approved by the UK Director General), and (2) relinquish certain significant governance rights with respect to us. The comment period deadline for the published, recommended undertakings is April 12, 2000. We cannot predict what undertakings, if any, will ultimately be executed by TdF, when TdF might undertake such undertakings or what effect such undertakings might have on us. See "--Risk Factors--Our Agreements with TdF Give TdF Substantial Governance and Economic Rights."

ONdigital Digital Transmission Contract. In 1997, the Independent Television Commission awarded ONdigital three of the five available commercial digital terrestrial television "multiplexes" for new program services. We bid for and won the 12 year contract from ONdigital to build and operate its digital television transmission network. The contract provides for approximately (Pounds)20.0 million ($34.0 million) of revenue per year from 2001 to 2008, with lesser amounts payable before and after these years and with service credits repayable for performance below agreed thresholds.

BBC Digital Transmission Contract. In 1998, we bid for and won the 12-year contract from the BBC to build and operate its digital terrestrial television transmission network. The BBC has committed to the full digital terrestrial television roll-out contemplated by the contract providing for approximately (Pounds)10.5 million ($17.8 million) of revenue per year during the 12 year period, with service credits repayable for performance below agreed thresholds. There is a termination provision during the three-month period following the fifth anniversary of our commencement of digital terrestrial transmission services for the BBC exercisable by the BBC but only if the BBC's Board of Governors determines, in its sole discretion, that digital television in the United Kingdom does not have sufficient viewership to justify continued digital television broadcasts. Under this provision, the BBC will pay us a termination fee in cash that substantially recovers our capital investment in the network, and any residual ongoing operating costs and liabilities. Like the BBC analog transmission contract, the contract is terminable upon the occurrence of certain change of control events.

BT Digital Distribution Contract. Under the BBC digital transmission contract and the ONdigital digital transmission contract, in addition to providing digital terrestrial transmission services, Crown Castle UK Limited has agreed to provide for the distribution of the BBC's and ONdigital's broadcast signals from their respective television studios to Crown Castle UK Limited's transmission network. Consequently, in May 1998, Crown Castle UK Limited entered into a 12 year distribution contract with British Telecommunications plc (with provisions for extending the term), in which British Telecom has agreed to provide fully duplicated, fiber-based, digital distribution services, with penalties for late delivery and service credits for failure to deliver 99.99% availability.

Site-Sharing Agreement. In order to optimize service coverage and enable viewers to receive all analog UHF television services using one receiving antenna, the BBC, as the predecessor to Crown Castle UK Limited, and NTL made arrangements to share all UHF television sites. This arrangement was introduced in the 1960s when UHF television broadcasting began in the United Kingdom. In addition to service coverage advantages, the arrangement also minimizes costs and avoids the difficulties of obtaining additional sites.

On September 10, 1991, the BBC and NTL entered into the site sharing agreement which set out the commercial site sharing terms under which the parties were entitled to share each others' sites for any television and radio services.

Under the Site-Sharing Agreement, the party that is the owner, lessee or licensee of each site is defined as the "Station Owner." The other party, the "Sharer", is entitled to request a license to use certain facilities at that site. The Site-Sharing Agreement and each site license provide for the Station Owner to be paid a commercial license fee in accordance with the Site-Sharing Agreement ratecard and for the Sharer to be responsible, in

normal circumstances, for the costs of accommodation and equipment used exclusively by it. The Site-Sharing Agreement may be terminated with five years' prior notice by either of the parties and expires on December 31, 2005 or on any tenth anniversary of that date. It may also be terminated:

(1) following a material breach by either party which, if remediable, is not remedied within 30 days of notice of such breach by the non-breaching party,

(2) on the bankruptcy or insolvency of either party, and

(3) if either party ceases to carry on a broadcast transmission business or function.

Similar site sharing agreements have been entered into between NTL and us for the build-out of digital transmission sites and equipment, including a new rate card related to site sharing fees for new digital facilities and revised operating and maintenance procedures related to digital equipment.

Vodafone AirTouch. On April 16, 1998, under Vodafone AirTouch's master lease agreement with us, Vodafone AirTouch agreed to locate antennas on 122 of our existing communication sites in the United Kingdom. The first 96 sites had been completed by the end of December 1999. This included 39 sites at which a new tower had been constructed to replace an existing structure of limited capacity. The remaining sites are expected to be completed by the end of July 2000 and will include the construction of a further 29 replacement towers. After their upgrade, these sites will be able to accommodate additional tenants.

One2One Northern Ireland Network. On December 29, 1999, Crown Castle UK Limited and One2One entered into an agreement under which Crown Castle UK Limited will establish a turnkey mobile network for One2One in Northern Ireland. The majority of the network is expected to be completed by mid 2000. Crown Castle UK Limited will provide all cell planning, acquisition, design, build, operation and maintenance services related to the network. The agreement with One2One is for an initial term of eleven years. We currently own and operate approximately 100 tower sites in Northern Ireland, and we expect that One2One will be a tenant on substantially all of these sites as part of the network.

Third Generation Technology

The United Kingdom is currently auctioning four licenses relating to third generation ("3G") mobile communications, the license with the largest amount of spectrum reserved for an insurgent carrier.

In anticipation of the deployment of the 3G auctions in the United Kingdom, Crown Castle UK Limited has prepared models for the deployment and operation of 3G networks in the United Kingdom. We contemplate working with the successful bidders for 3G licenses in order to provide the outsourcing of network operation and management and site sharing of network towers, equipment and other communications infrastructure, such as base stations, as a solution to many of the commercial and technical challenges and costs which such 3G license holders will face. There can be no assurances that we will be successful in marketing our asset and services to winners of the 3G auctions in the United Kingdom.

Customers

For the 12 months ended December 31, 1999, the BBC accounted for approximately 50% of Crown Castle UK Limited's consolidated revenues. This percentage has decreased from 58.9% for the 12 months ended December 31, 1998 and is expected to continue to decline as Crown Castle UK Limited continues to expand its site rental business. Crown Castle UK Limited provides all four U.K. personal communications network/cellular operators (Cellnet, One2One, Orange and Vodafone AirTouch) with infrastructure services and also provides fixed telecommunications operators, such as British Telecom, Cable & Wireless Communications, Energis and Scottish Telecom, with microwave links and backhaul infrastructure. The following is a list of some of Crown Castle UK Limited's leading site rental customers by industry segment.

Industry	Selected Customers
Broadcasting	BBC, NTL, Virgin Radio, Talk Radio, XFM, ONdigital
PMR/TETRA	National Band 3, Dolphin
Personal Communications Network	Orange, One2One
Data	RAM Mobile Data, Cognito
Paging	Hutchinson, Page One
Governmental Agencies	Ministry of Defense
Cellular	Vodafone AirTouch, Cellnet
Public Telecommunications	British Telecom, Cable & Wireless Communications
Other	Aerial Sites, Health Authorities
Utilities	Welsh Water, Southern Electric

Sales and Marketing

We have about 20 sales and marketing personnel in the United Kingdom who identify new revenue-generating opportunities, develop and maintain key account relationships, and tailor service offerings to meet the needs of specific customers. An excellent relationship has been maintained with the BBC, and successful new relationships have been developed with many of the major broadcast and wireless communications carriers in the United Kingdom. We have begun to actively cross-sell our products and services so that, for example, site rental customers are also offered build-to-suit services.

Competition

NTL is Crown Castle UK Limited's primary competition in the terrestrial broadcast transmission market in the United Kingdom. NTL provides analog transmission services to ITV, Channels 4 and 5, and S4C Digital Networks. It also has been awarded the transmission contract for the new digital terrestrial television multiplex service from Digital 3 & 4 Limited, and a similar contract for the digital terrestrial television service for S4C.

Although Crown Castle UK Limited and NTL are direct competitors, they have reciprocal rights to the use of each others' sites for broadcast transmission usage in order to enable each of them to achieve the necessary country-wide coverage. This relationship is formalized by the Site-Sharing Agreement entered into in 1991, the time at which NTL was privatized.

NTL also offers site rental on approximately 1,000 of its sites, some of which are managed on behalf of third parties. Like Crown Castle UK Limited, NTL offers a full range of site-related services to its customers, including installation and maintenance. Crown Castle UK Limited believes its towers to be at least as well situated as NTL's and that it will be able to expand its own third-party site-sharing penetration.

All four U.K. mobile operators own site infrastructure and lease space to other users. Their openness to sharing with direct competitors varies by operator. Cellnet and Vodafone have agreed to cut site costs by jointly developing and acquiring sites in the Scottish Highlands. British Telecom and Cable & Wireless Communications are both major site sharing customers but also compete by leasing their own sites to third parties. British Telecom's position in the market is even larger when considered in combination with its interest in Cellnet.

Several other companies compete in the market for site rental. These include British Gas, Racal Network Systems, Aerial Sites Plc, Relcom Aerial Services and the Royal Automobile Club. Some companies own sites initially developed for their own networks, while others are developing sites specifically to exploit this market.

Crown Castle UK Limited faces competition from a large number of companies in the provision of network services. The companies include NTL, specialty consultants and equipment manufacturers such as Nortel and Ericsson.

AUSTRALIA OPERATIONS

In March 2000, we entered into an agreement with Cable & Wireless Optus pursuant to which Cable & Wireless Optus will sell to Crown Castle Australia approximately 705 wireless communications towers located in Australia for approximately $135 million in cash. In addition, Cable & Wireless Optus has agreed to lease space on each of such towers for an initial term of 15 years. The agreement also provides us with an exclusive right to develop all future tower sites for Cable & Wireless Optus in Australia over the next six years. Crown Castle Australia is two-thirds owned by us and one-third owned by an investor group lead by Fay, Richwhite Communications Ltd., a New Zealand-based investment firm.

The Cable & Wireless Optus transaction is expected to close in the second quarter of 2000. Following the completion of the transaction, Crown Castle Australia will be the largest independent tower operator in Australia. Upon completion of the transaction, Crown Castle Australia will own and operate a nationwide tower portfolio covering over 90 percent of the population in Australia. See "--Recent and Agreed to Transactions--Cable & Wireless Optus Transaction." There can be no assurances that the transaction with Cable & Wireless Optus will be completed or that we will be successful in transacting operations in Australia.

EMPLOYEES

At March 1, 2000, we employed approximately 1,250 people worldwide. Other than in the United Kingdom, we are not a party to any collective bargaining agreements. In the United Kingdom, we are party to a collective bargaining agreement with the Broadcast, Entertainment, Cinematographic and Technicians Union. This agreement establishes bargaining procedures relating to the terms and conditions of employment for all of Crown Castle UK Limited's non-management staff. We have not experienced any strikes or work stoppages, and management believes that our employee relations are satisfactory.

REGULATORY MATTERS

UNITED STATES

Federal Regulations

Both the FCC and FAA regulate towers used for wireless communications transmitters and receivers. Such regulations control the siting and marking of towers and may, depending on the characteristics of particular towers, require registration of tower facilities. Wireless communications devices operating on towers are separately regulated and independently licensed based upon the particular frequency used.

The FCC, in conjunction with the FAA, has developed standards to consider proposals for new or modified antenna structures. These standards mandate that the FCC and the FAA consider the height of proposed antenna structures, the relationship of the structure to existing natural or man-made obstructions and the proximity of the antenna structures to runways and airports. Proposals to construct or to modify existing antenna structures above certain heights are reviewed by the FAA to ensure the structure will not present a hazard to aviation. The FAA may condition its issuance of a determination that the structure will not present a hazard to aviation upon compliance with specified lighting and/or marking requirements. The FCC will not license the operation of

wireless telecommunications devices on towers unless the tower is in compliance with the FAA's rules and is registered with the FCC, if necessary. The FCC will not register a tower unless it has been cleared by the FAA. The FCC may also enforce special lighting and painting requirements. Owners of wireless transmissions towers may have an obligation to maintain painting and lighting to conform to FAA and FCC standards. Tower owners may also bear the responsibility of notifying the FAA of any tower lighting outage. The Company generally indemnifies its customers against any failure to comply with applicable regulatory standards. Failure to comply with the applicable requirements may lead to civil penalties.

The 1996 Telecom Act limits certain state and local zoning authorities' jurisdiction over the construction, modification and placement of towers. The law prohibits any action that would (1) discriminate between different providers of personal wireless services or (2) prohibit or have the effect of prohibiting the provision of personal wireless service. Finally, the 1996 Telecom Act requires the federal government to help licensees for wireless communications services gain access to preferred sites for their facilities. This may require that federal agencies and departments work directly with licensees to make federal property available for tower facilities.

Local Regulations

Local regulations include:

. city and other local ordinances;

. zoning restrictions; and

. restrictive covenants imposed by community developers.

These regulations vary greatly, but typically require tower owners to obtain approval from local officials or community standards organizations prior to tower construction. Local zoning authorities generally have been hostile to construction of new transmission towers in their communities because of the height and visibility of the towers.

Licenses Under the Communications Act of 1934

We hold, through certain of our subsidiaries, licenses for radio transmission facilities granted by the FCC, including licenses for common carrier microwave and commercial mobile radio services, including specialized mobile radio and paging facilities, as well as private mobile radio services including industrial/business radio facilities, which are subject to additional regulation by the FCC. We are required to obtain the FCC's approval prior to the transfer of control of any of our FCC licenses.

We, as the parent company of the licensees of common carrier and commercial mobile radio services facilities, are also subject to Section 310(b)(4) of the Communications Act of 1934, as amended, which would limit us to a maximum of 25% foreign ownership absent a ruling from the FCC that foreign ownership in excess of 25% is in the public interest. In light of the World Trade Organization Agreement on Basic Telecommunications Services, which took effect on February 5, 1998, the FCC has determined that such investments are generally in the public interest if made by individuals and entities from WTO-member nations. We are over 25% foreign owned by companies headquartered in France, the United Kingdom and New Zealand. Each of these nations is a signatory to the WTO agreement. The FCC has granted approval of up to 49.9% foreign ownership of us, at least 25% of which will be from WTO-member nations.

UNITED KINGDOM

Telecommunications systems and equipment used for the transmission of signals over radio frequencies have to be licensed in the United Kingdom. These licenses are issued on behalf of the British Government by the Secretary of State for Trade and Industry under the Telecommunications Act 1984 and the Wireless Telegraphy Acts 1949, 1968 and 1998. Crown Castle UK Limited has a number of such licenses under which it runs the telecommunications distribution and transmission systems which are necessary for the provision of

its transmission services. Crown Castle UK Limited's operations are subject to comprehensive regulation under the laws of the United Kingdom.

Licenses under the Telecommunications Act 1984

Crown Castle UK Limited has the following three licenses under the Telecommunications Act 1984:

Transmission License. The Transmission License is a renewable license to run telecommunications systems for the transmission via wireless telegraphy, a type of data transmissions technique, of broadcasting services. This license is for a period of at least 25 years from January 23, 1997, and is Crown Castle UK Limited's principal license. Its main provisions include:

(1) a price control condition covering the provision of all analog radio and television transmission services to the BBC under the BBC analog transmission agreement, establishing an initial price at approximately (Pounds)44 million for regulated elements of the services provided by Crown Castle UK Limited under the BBC analog transmission agreement in the year ended March 31, 1997, with an increase cap which is 1% below the rate of increase in the Retail Price Index over the previous calendar year. The current price control condition applies until March 31, 2006,

(2) a change of control provision which requires notification of acquisitions of interest in Crown Castle UK Limited of more than 20% by a public telecommunications operator or any Channel 3 or Channel 5 licensee, which acquisitions entitle the Secretary of State to revoke the license,

(3) a site sharing requirement requiring Crown Castle UK Limited to provide space on its towers to analog and digital broadcast transmission operators and including a power for the Director General of Telecommunications ("OFTEL"), as the regulator, to determine prices if there is failure between the site owner and the prospective site sharer to agree to a price,

(4) a fair trading provision enabling OFTEL to act against anti-competitive behavior by the licensee, and

(5) a prohibition on undue preference or discrimination in the provision of the services it is required to provide third parties under the transmission license.

On August 11, 1998, OFTEL determined that it had jurisdiction to make a determination with respect to a complaint made by Classic FM and NTL in respect of certain charges, imposed previously by the BBC under the Site-Sharing Agreement with NTL for the use by Classic FM of BBC radio antennas and passed on to Classic FM by NTL. OFTEL's position as of March 1999 is that the Site-Sharing Agreement did not cover charges for new services to customers such as Classic FM, thereby enabling OFTEL to intervene and determine the appropriate rate under the "applicable rate" mechanism in Crown Castle UK Limited's transmission license. This procedure could result in the fees NTL pays to Crown Castle UK Limited for site sharing facilities for Classic FM, currently calculated under the site-sharing agreement, being determined at a reduced rate and otherwise not being covered by the terms of any existing contract which could lead to a diminution of Crown Castle UK Limited's income of approximately (Pounds)300,000 per annum, or approximately 0.4% of revenues and 1.0% of EBITDA for the fiscal year ended March 31, 1997. Crown Castle UK Limited has challenged OFTEL's right to make a determination and on April 28, 1999, Crown Castle UK Limited was given leave by the High Court to apply for a judicial review of that determination. Meanwhile, Crown Castle UK Limited is also seeking to negotiate a settlement with Classic FM and NTL and has made a provision of approximately (Pounds)2.9 million relating to any rate adjustment imposed by OFTEL with respect to previous charges for Classic FM under the Site-Sharing Agreement.

Crown Castle UK Limited is discussing with OFTEL certain amendments to Crown Castle UK Limited's Telecommunications Act Transmission License to ensure that the price control condition accommodates the provision by Crown Castle UK Limited of additional contractually agreed upon services to the BBC in return for additional agreed upon payments. See "--Risk Factors--Extensive Regulations Which Could Change at Any Time and Which We Could Fail to Comply With Regulate Our Business."

The Secretary of State has designated the transmission license a public telecommunications operator license in order to reserve to himself certain emergency powers for the protection of national security. This designation is, however, limited to this objective. Crown Castle UK Limited does not have a full domestic

public telecommunications license and does not require one for its current activities. The Department of Trade and Industry has, nevertheless, indicated that it would be willing to issue Crown Castle UK Limited such a license. As a result, Crown Castle UK Limited would gain wider powers to provide services to non-license holding third parties including public switched voice telephony and satellite uplink and would grant Crown Castle UK Limited powers to build out its network over public property (so-called "code powers").

General Telecom License. The general telecom license is a general license to run telecommunications systems and authorizes Crown Castle UK Limited to run all the necessary telecommunications systems to convey messages to its transmitter sites (e.g., via leased circuits or using its own microwave links). The license does not cover the provision of public switched telephony networks (which would require a public telecommunications license as described above).

Satellite License. The satellite license is a license to run telecommunications systems for the provision of satellite telecommunication services and allows the conveyance via satellite of messages, including data and radio broadcasting. The license excludes television broadcasting direct to the home via satellite although distribution via satellite of television broadcasting services which are to be transmitted terrestrially is permitted.

Licenses under the Wireless Telegraphy Acts 1949, 1968 and 1998

Crown Castle UK Limited has a number of licenses under the Wireless Telegraphy Acts 1949, 1968 and 1998, authorizing the use of radio equipment for the provision of certain services over allocated radio frequencies including:

(1) a broadcasting services license in relation to the transmission services provided to the BBC, Virgin Radio and Talk Radio,

(2) a fixed point-to-point radio links license;

(3) two bandwidth test and development licenses, and

(4) digital terrestrial television test and development licenses.

All the existing licenses under the Wireless Telegraphy Acts 1949, 1968 and 1998 have to be renewed annually with the payment of a significant fee. The BBC, Virgin Radio and Talk Radio have each contracted to pay their portion of these fees. ONdigital is obligated under the ONdigital digital transmission contract to pay most of their portion of these fees.

ENVIRONMENTAL MATTERS

Our operations are subject to foreign, federal, state and local laws and regulations relating to the management, use, storage, disposal, emission, and remediation of, and exposure to, hazardous and nonhazardous substances, materials and wastes. As an owner and operator of real property, we are subject to certain environmental laws that impose strict, joint and several liability for the cleanup of on-site or off-site contamination relating to existing or historical operations, and also could be subject to personal injury or property damage claims relating to such contamination. We are potentially subject to cleanup liabilities in both the United States and the United Kingdom and environmental exposure will extend to Australia once we commence operations there.

We are also subject to regulations and guidelines that impose a variety of operational requirements relating to radio frequency emissions. The potential connection between radio frequency emissions and certain negative health effects, including some forms of cancer, has been the subject of substantial study by the scientific community in recent years. To date, the results of these studies have been inconclusive. Although we have not been subject to any claims relating to radio frequency emissions, we have established operating procedures designed to reduce employee exposures to radio frequency emissions and are continually evaluating certain of our towers and transmission equipment in the United States and the United Kingdom to determine whether radio frequency emission reductions are economically possible and feasible.

In addition, we are subject to licensing, registration and related requirements concerning tower siting, construction and operation. In the United States, the FCC's decision to license a proposed tower may be subject to environmental review pursuant to the National Environmental Policy Act of 1969, which requires federal agencies to evaluate the environmental impacts of their decisions under certain circumstances. The FCC regulations implementing the Act place responsibility on each applicant to investigate any potential environmental effects of a proposed operation and to disclose any significant effects on the environment in an environmental assessment prior to commencing construction. In the event the FCC determines that a proposed tower would have a significant environmental impact, the FCC would be required to prepare an environmental impact statement. This process could significantly delay or prevent the registration or construction of a particular tower, or make tower construction more costly. In certain jurisdictions, local laws or regulations may impose similar requirements.

We believe that we are in substantial compliance with all applicable environmental laws. Nevertheless, there can be no assurance that the costs of compliance with existing or future environmental laws will not have a material adverse effect on our business, results of operations, or financial condition.

RECENT AND AGREED TO TRANSACTIONS

We have recently completed or entered into agreements for the transactions described below. Completion of these transactions has and will continue to result in a significant increase in the size of our operations and the number of towers that we own and manage plus our need for capital. The agreements governing the transactions that have not yet been closed or that are closing over a series of closings include a number of important conditions agreed to. Therefore, we cannot guarantee that we will consummate any of the agreed to transactions on the terms currently contemplated or at all. The descriptions of the terms of these transactions set forth below are summaries and are qualified in their entirety by reference to the complete text of the relevant agreements.

Bell Atlantic Joint Venture

On March 31, 1999, we completed the formation of a joint venture with Bell Atlantic Mobile to own and operate approximately 1,458 towers. These towers represent substantially all the towers in Bell Atlantic's wireless network in the eastern and southwestern United States, including markets such as New York, Philadelphia, Boston, Washington, D.C. and Phoenix. The joint venture will also build and own the next 500 towers to be built for Bell Atlantic's wireless communications business. In addition, upon completion of such 500 towers, the Bell Atlantic joint venture will have a right of first refusal to construct the next 200 towers for Bell Atlantic. Bell Atlantic leases antenna space on the 1,458 towers transferred to the joint venture and will lease antenna space on the towers that the joint venture builds for Bell Atlantic.

BellSouth Transaction

On June 1, 1999, we entered into an agreement with BellSouth to control and operate, through a sublease, approximately 1,850 towers. These towers represent substantially all the towers in BellSouth's wireless network in the southeastern and midwestern United States, including markets such as Miami, Atlanta, Tampa, Nashville and Indianapolis. We will be responsible for managing and leasing the available space on BellSouth's towers. We will have the right to build, control and operate the next 500 towers to be built for BellSouth's wireless communications business. BellSouth will pay a management fee for its retained antenna space on the towers effectively equivalent to lease payments, as well as on the towers we build for BellSouth. The BellSouth transaction will close in a series of closings which commenced on June 1, 1999 and is expected to be substantially completed by June 30, 2000. As of February 2, 2000, we had subleased and acquired control of 1,664 of these towers.

Powertel Acquisition

In 1999, we completed the purchase of 620 towers from Powertel. These towers represent substantially all of Powertel's owned towers in its wireless network in the southeastern and midwestern United States, including such markets as Atlanta, Birmingham, Jacksonville, Memphis and Louisville, and a number of major connecting highway corridors in the southeast. These towers are complementary to BellSouth's towers

in the southeast and have minimal coverage overlap. We subsequently acquired in 2000, 30 additional towers from Powertel which were incomplete at the time of the initial closing. Powertel leases antenna space on the 650 towers we acquired from them. We also have a build-to-suit agreement through 2000 as to a minimum of 40 towers.

One2One Transaction

On March 31, 1999, Crown Castle UK Limited acquired the rights to manage, develop and, at its option, acquire up to 821 towers. These towers represent substantially all the towers in One2One's nationwide wireless network in the United Kingdom. We are responsible for managing and leasing available space on the towers and receive all the income from any such third party leases.

BellSouth DCS Transaction

On July 23, 1999, we entered into an agreement with BellSouth DCS to control and operate, through a sublease, approximately 773 personal communications towers from BellSouth DCS. The towers are located in North Carolina, South Carolina, east Tennessee and parts of Georgia. The terms of the BellSouth DCS transaction are substantially the same as the BellSouth transaction described above. The towers are complementary to the towers we have acquired or are in the process of acquiring through the BellSouth transaction, the Powertel acquisition and the GTE Wireless joint venture. BellSouth DCS will effectively lease space from us on the towers we acquire from them through a management arrangement and fee. As of February 2, 2000, we had closed on 674 of these towers.

GE Capital Transaction

On November 19, 1999, GE Capital Structured Finance Group, or SFG, made a $200,000,000 strategic investment in us in exchange for 200,000 shares of our 8 1/4% manditorily redeemable, convertible preferred stock and warrants to purchase 1,000,000 shares of our common stock. The warrants have an exercise price of $26.875 per share and are exercisable, in whole or in part, at any time for a period of five years following the issue date. The net proceeds of this investment will be used to pay a portion of the purchase price for the GTE transaction described below.

One2One Northern Ireland Network

On December 29, 1999, Crown Castle UK Limited and One2One entered into an agreement pursuant to which Crown Castle UK Limited will establish a turnkey mobile network for One2One in Northern Ireland. The majority of the network is expected to be completed by mid 2000. We will provide all cell planning, acquisition, design, build, operation and maintenance services related to the network. The agreement with One2One is for an initial term of eleven years. We currently own and operate approximately 100 tower sites in Northern Ireland, and we expect that One2One will be a tenant on substantially all of these sites as part of the network.

GTE Transaction

On November 7, 1999 we entered into a formation agreement with GTE Wireless Incorporated and certain affiliates of GTE Wireless to form a joint venture to own and operate a significant majority of the wireless communications towers of GTE Wireless. We will own up to an 88.65% equity interest in the joint venture, and the day-to-day operations of the joint venture will be managed by us.

The transaction will be completed in multiple closings, each of which is subject to a number of conditions which could prevent it from occurring. At each closing, in exchange for interests in the joint venture, GTE Wireless will contribute to the joint venture towers and liabilities relating thereto, and we will contribute consideration proportionate to the number of towers being transferred. It is currently contemplated that up to 2,322 towers will be transferred. If all such towers are transferred, we will be required to contribute up to approximately $825.0 million (of which up to $100.0 million can be in shares of our common stock valued at $18.655 per share) to the joint venture. Of this amount, $25 million will be retained by the joint venture for working capital, and the balance will be distributed to GTE Wireless. In addition, the joint venture may borrow up to $200 million of indebtedness, subject to certain limitations, which borrowing will reduce our contribution requirement. The proceeds of any such borrowing will be distributed to GTE Wireless. The initial closing took

place on January 31, 2000 at which time we contributed $223.9 million in cash to the joint venture, and GTE Wireless contributed 637 towers in exchange for a cash distribution of $198.9 million from the joint venture. We anticipate closing with respect to approximately 1,600 additional towers effective as of April 1, 2000. In connection with the transaction, we deposited $50 million into an escrow account; such funds would be forfeited to GTE Wireless in the event that any closing does not occur as a result of our inability to obtain adequate financing. We contemplate that the April 1, 2000 closing will involve all cash (including the $50 million in escrow) being contributed to the joint venture.

In connection with the formation of the joint venture, GTE Wireless and the joint venture entered into a master build-to-suit agreement, pursuant to which, subject to certain conditions, the next 500 towers to be built for GTE Wireless will be constructed and owned by the joint venture. The 500 tower amount will be reduced for certain towers built for third parties, including towers built for Bell Atlantic in excess of 500 towers. In addition, the parties entered into a global lease, under which GTE Wireless will lease space on all of the towers acquired by the joint venture from GTE Wireless and all towers constructed under the build-to-suit agreement. The average monthly rent on the 2,322 towers contributed to the joint venture by GTE Wireless will be approximately $1,400, subject to certain adjustments, including a 4% per year increase for the initial 10-year period. For all sites, the initial lease term is 10 years, with an option for four additional five-year terms at the election of GTE Wireless.

Upon a dissolution of the joint venture we will receive all the assets and liabilities of the joint venture, other than any shares of our common stock held by the joint venture, which would be distributed to GTE Wireless. GTE Wireless will transfer its equity interests in the joint venture to us, and we will pay to GTE Wireless the fair market value of such interests. A dissolution may be triggered (1) by GTE Wireless at any time following the third anniversary of the formation of the joint venture and (2) by us at any time following the fourth anniversary of its formation.

We also entered into a letter agreement dated November 7, 1999 with GTE Wireless, whereby GTE Wireless has the right to contribute additional towers on terms substantially similar to the formation agreement. These additional towers may be (1) currently owned towers not contributed pursuant to the formation agreement, (2) towers subsequently acquired in cellular or personal communications services markets east of the Mississippi, or (3) towers acquired by GTE Wireless recently from Ameritech Corp. Conversely, the joint venture also has the right to require the Ameritech towers to be contributed by GTE Wireless to the joint venture in a manner that is substantively identical to GTE Wireless' right to contribute the Ameritech towers described above. Consideration paid for these additional towers will be in the form of cash and additional ownership interests for GTE Wireless in the joint venture. The Ameritech towers are limited to 600 towers, and the towers which GTE Wireless currently owns or subsequently acquires are limited to 100 towers in any twelve month period. The rights with respect to the Ameritech towers must be exercised no later than May 1. The letter agreement terminates, with respect to the towers which GTE Wireless currently owns or subsequently acquires, 18 months after the final closing under the formation agreement. All of these towers are subject to the global lease.

Cable & Wireless Optus Transaction

On March 9, 2000, Crown Castle Australia entered into an agreement with Cable & Wireless Optus. Pursuant to the agreement, Cable & Wireless Optus will sell to Crown Castle Australia approximately 705 wireless communications towers located in Australia for approximately $135 million (A$220 million) in cash. The agreement also provides Crown Castle Australia with an exclusive right to develop all future tower sites for Cable & Wireless Optus over the next six years. In addition, Cable & Wireless Optus has entered into a tower access agreement, under which Cable & Wireless Optus has agreed to lease space on the 705 towers for an initial term of 15 years. Crown Castle Australia is two-thirds owned by us and one-third owned by an investment group lead by Fay, Richwhite Communications Ltd., a New Zealand-based investment firm. The transaction is expected to close in the second quarter of 2000. Following the completion of the transaction, Crown Castle Australia will be the largest independent tower operator in Australia.

2000 Credit Facility

In March 2000, a subsidiary of ours entered into a credit agreement with a syndicate of banks which consists of two term loan facilities and a revolving line of credit aggregating $1.2 billion (the "2000 Credit Facility"). Available borrowings under the 2000 Credit Facility are generally to be used for the construction and purchase of towers and for the general corporate purposes of certain of our subsidiaries along with the discharge of the then existing credit facility of such subsidiaries. The amount of available borrowings will generally be determined based upon the then current financial performance of the assets of those subsidiaries. Up to $25 million of borrowing availability under the 2000 Credit Facility can be used for letters of credit. On March 15, 2000, we used $83.4 million in borrowings under the 2000 Credit Facility to repay outstanding borrowings and accrued interest under our senior credit facility to such subsidiaries. Additional proceeds of approximately $317 million in borrowings will be promptly used to fund a portion of the purchase price of the GTE Wireless transaction and for general corporate purposes.

RISK FACTORS

You should carefully consider the risks described below, as well as the other information contained in this document, when evaluating your investment in our securities.

FAILURE TO PROPERLY MANAGE OUR GROWTH

If we are unable to successfully integrate acquired operations or to manage our existing operations as we grow, our business will be adversely affected and we may not be able to continue our current business strategy.

We cannot guarantee that we will be able to successfully integrate acquired businesses and assets into our business or implement our plans without delay. If we fail to do so it could have a material adverse effect on our financial condition and results of operations. We have grown significantly over the past two years through acquisitions, and such growth continues to be an important part of our business plan. The addition of over 8,500 towers to our operations through our recent and agreed to transactions has increased and will continue to increase our current business considerably and adds operating complexities. Successful integration of these transactions will depend primarily on our ability to manage these combined operations and to integrate new management and employees with and into our existing operations.

Implementation of our acquisition strategy may impose significant strains on our management, operating systems and financial resources. We regularly evaluate potential acquisition and joint venture opportunities and are currently evaluating potential transactions that could involve substantial expenditures, possibly in the near term. If we fail to manage our growth or encounter unexpected difficulties during expansion, it could have a material adverse effect on our financial condition and results of operations. The pursuit and integration of acquisitions and joint venture opportunities will require substantial attention from our senior management, which will limit the amount of time they are able to devote to our existing operations.

WE MAY NOT COMPLETE THE AGREED TO TRANSACTIONS

If we fail to complete any or all of the agreed to transactions described in this document, we may incur liquidated damages and will not recognize all of the benefits of such transactions.

If one or more of the agreed to transactions we describe in this document is not completed or is completed on significantly different terms than those currently contemplated, it could substantially affect the implementation of our business strategy. If we fail to close these transactions, our ability to offer tower clusters in major U.S. markets will be impaired. As a result, our future site rental revenue would be adversely affected. We cannot guarantee that we will complete any or all of these agreed to transactions. The agreements relating to these agreed to transactions contain many conditions that must be satisfied before we can close such agreed to transactions.

In addition, we cannot assure you that the transactions, if and when completed, will be done so on the terms currently contemplated. For example, each of the agreements relating to these agreed to transactions includes provisions that could result in our purchasing fewer towers at closing.

Our initial transaction with GTE Wireless is closing in a series of closings. If any closing does not occur as a result of our inability to obtain adequate financing, GTE wireless may retain a $50.0 million liquidated damages payment which we have deposited into escrow.

SUBSTANTIAL LEVEL OF INDEBTEDNESS

Our substantial level of indebtedness could adversely affect our ability to react to changes in our business. We may also be limited in our ability to use debt to fund future capital needs.

We have a substantial amount of indebtedness. The following chart sets forth certain important credit information and is presented as of December 31, 1999.

	(Dollars in thousands)
Total indebtedness	$1,542,345
Redeemable preferred stock	422,923
Stockholders' equity	1,617,747
Debt and redeemable preferred stock to equity ratio	1.21x

In addition, our earnings for the twelve months ended December 31, 1999 were insufficient to cover fixed charges by $91.3 million.

Given our substantial indebtedness, we could be affected in the following ways:

- we could be more vulnerable to general adverse economic and industry conditions;
- we may find it more difficult to obtain additional financing to fund future working capital, capital expenditures and other general corporate requirements;
- we will be required to dedicate a substantial portion of our cash flow from operations to the payment of principal and interest on our debt, reducing the available cash flow to fund other projects;
- we may have limited flexibility in planning for, or reacting to, changes in our business and in the industry; and
- we will have a competitive disadvantage relative to other companies with less debt in our industry.

We cannot guarantee that we will be able to generate enough cash flow from operations or that we will be able to obtain enough capital to service our debt or fund our planned capital expenditures. In addition, we may need to refinance some or all of our indebtedness on or before maturity. We cannot guarantee, however, that we will be able to refinance our indebtedness on commercially reasonable terms or at all.

AS A HOLDING COMPANY, WE REQUIRE DIVIDENDS FROM SUBSIDIARIES TO MEET CASH REQUIREMENTS OR PAY DIVIDENDS

If our subsidiaries are unable to dividend cash to us when we need it, we may be unable to pay dividends or satisfy our obligations, including interest and principal payments, under our debt instruments.

Crown Castle International Corp., or CCIC, is a holding company with no business operations of its own. CCIC's only significant asset is the outstanding capital stock of its subsidiaries. CCIC conducts all its business operations through its subsidiaries. Accordingly, CCIC's only source of cash to pay dividends or make other distributions on its capital stock or to pay interest and principal on its outstanding indebtedness is distributions relating to its ownership interest in its subsidiaries from the net earnings and cash flow generated by such subsidiaries. We currently expect that the earnings and cash flow of CCIC's subsidiaries will be retained and used by such subsidiaries in their operations, including to service their respective debt obligations. Even if we did determine to make a distribution in respect of the capital stock of CCIC's subsidiaries, there can be no assurance that CCIC's subsidiaries will generate sufficient cash flow to pay or distribute such a dividend or funds, or that applicable state law and contractual restrictions, including negative covenants contained in the debt instruments of such subsidiaries, would permit such dividends, distributions or payments. Furthermore, the terms of our U.S. and U.K. credit facilities place restrictions on our principal subsidiaries' ability to pay dividends or to make distributions, and in any event, such dividends or distributions may only be paid if no default has occurred under the applicable instrument. Moreover, CCIC's subsidiaries are permitted under the terms of their existing debt instruments to incur additional indebtedness that may restrict or prohibit the making of distributions, the payment of dividends or the making of loans by such subsidiaries to CCIC. See "--Substantial Level of Indebtedness" and "--Ability to Service Debt".

ABILITY TO SERVICE DEBT

To service our indebtedness, we will require a significant amount of cash from our subsidiaries. An inability to access our subsidiaries' cash flow may lead to an acceleration of our indebtedness, including our notes. Currently, the instruments governing our subsidiaries' indebtedness do not allow sufficient funds to be distributed to CCIC to service its indebtedness.

If CCIC is unable to refinance its subsidiary debt or renegotiate the terms of such debt, CCIC may not be able to meet its debt service requirements, including interest payments on our notes, in the future. Our 9% senior notes and our 9 1/2% senior notes will require annual cash interest payments of approximately $16.2 million and $11.9 million, respectively. Prior to November 15, 2002, May 15, 2004 and August 1, 2004, the interest expense on our 10 5/8% discount notes, our 10 3/8% discount notes and our 11 1/4% discount notes, respectively, will be comprised solely of the amortization of original issue discount. Thereafter, the 10 5/8% discount notes, the 10 3/8% discount notes and the 11 1/4% discount notes will require annual cash interest payments of approximately $26.7 million, $51.9 million and $29.3 million, respectively. Prior to December 15, 2003, we do not expect to pay cash dividends on our exchangeable preferred stock or, if issued, cash interest on the exchange debentures. Thereafter, assuming all dividends or interest have been paid-in-kind, our exchangeable preferred stock or, if issued, the exchange debentures will require annual cash dividend or interest payments of approximately $47.8 million.

RESTRICTIVE DEBT COVENANTS

The terms of our debt instruments impose significant restrictions on our ability to take a number of actions that our management might otherwise believe to be in your best interests. In addition, if we fail to comply with our covenants, our debt could be accelerated.

Currently we have debt instruments in place that restrict our ability to incur more indebtedness, pay dividends, create liens, sell assets and engage in certain mergers and acquisitions. Our subsidiaries, under their debt instruments, are also required to maintain specific financial ratios. Our ability to comply with the restrictions of these instruments and to satisfy our debt obligations will depend on our future operating performance. If we fail to comply with the debt restrictions, we will be in default under those instruments, which in some cases would cause the maturity of substantially all of our long-term indebtedness to be accelerated.

The exercise of these rights by TdF could have a material adverse effect on our business.

We have entered into agreements with TeleDiffusion de France International S.A., or TdF, an affiliate of France Telecom, that give TdF substantial rights. The agreements were entered into in order to induce TdF to participate in the roll-up of our U.K. business, the transaction in which we exchanged shares of our common stock for shares of Crown Castle UK Holdings Limited common stock, held by Crown Castle UK Holdings Limited stockholders and, as a result, increased our ownership in Crown Castle UK Holdings Limited to 80%. The TdF agreements give TdF significant rights relating to the governance of CCIC and our U.K. business. Our U.K. business currently accounts for a substantial majority of our revenues. TdF retains significant governance rights even if we acquire the remaining 20% interest of our U.K. business held by TdF.

Further, the Department of Trade and Industry in the United Kingdom, or DTI, in December 1999 recommended to the Office of Fair Trading that as a condition to not referring a proposed 25% equity investment in NTL by TdF's parent (France Telecom) to the Competition Commission, TdF should be required to undertake to dispose of its investment in Crown Castle UK Holdings Limited and us. The publicly-announced purpose of the investment by France Telecom in NTL is to finance NTL's acquisition of Cable and Wireless Communications which acquisition was recently approved by the Competition Commission. A draft of the recommended undertakings was published on March 29, 2000 and essentially requires TdF to (1) sell all of its interest in us (including Crown Castle UK Holdings Limited) within four months following the date on which the UK Secretary of State announced the UK Competition Commission's approval of NTL's acquisition of the cable business of Cable and Wireless Communications (March 23, 2000, unless a later date is approved by the UK Director General), and (2) relinquish certain significant governance rights with respect to us. The comment period deadline for the published, recommended undertakings is April 12, 2000. We cannot predict what undertakings, if any, will ultimately be executed by TdF, when TdF might undertake such undertakings or what effect such undertakings might have on us.

TdF's Governance Rights May Restrict Us From Taking Actions Our Board of Directors Consider to Be in Your Best Interests

We have granted TdF the ability to govern some of our activities, including the ability to:

- prohibit us from entering into material acquisitions, issuing new equity securities and incurring significant indebtedness;
- elect up to two members of our board of directors; and
- elect at least one director to the executive and nominating and corporate governance committees of our board of directors.

In addition, TdF has significant governance rights over our U.K. business. Although TdF, through its subsidiary, DFI, currently has only a 20% equity interest in Crown Castle UK Holdings Limited, TdF has the right to restrict a number of corporate actions at Crown Castle UK Holdings Limited.

TdF's exercise of these rights could be contrary to your interests.

TdF Will Be Able to Buy Our Interest, or Require Us to Buy Their Interest, in Our U.K. Business in Connection with a Sale of CCIC

Under the circumstances described below, TdF will have the right to acquire all of our shares in Crown Castle UK Holdings Limited or to require us to purchase all of TdF's shares in Crown Castle UK Holdings Limited, at fair market value in either case. This right will be triggered under the following circumstances:

- the sale of all or substantially all of our assets;
- a merger, consolidation or similar transaction that would result in any person owning more than 50% of our voting power or equity securities;
- an unsolicited acquisition by any person of more than 25% of our voting power or equity securities; or
- other circumstances arising from an acquisition by any person that would give rise to a right of the BBC to terminate our analog or digital transmission contracts with the BBC.

Further, immediately before any of these events occur, TdF will have the right to require us to purchase 50% of their Class A common stock in cash at the same price we would have to pay once the event occurs.

If we were required to sell our shares in Crown Castle UK Holdings Limited to TdF, we would no longer own our U.K. business and would lose all the benefits of owning such business. On the other hand, if we were required to purchase all of TdF's shares in Crown Castle UK Holdings Limited and/or purchase 50% of their

Class A common stock, we cannot guarantee that we would have the necessary funds to do so or that we would be permitted to do so at the time under our debt instruments. If we did not have sufficient funds, we would have to seek additional financing. We cannot guarantee, however, that such financing would be available on commercially reasonable terms or at all. If such financing were not available, we might be forced to sell assets at unfavorable prices in order to generate the cash needed to buy the shares from TdF. In addition, our obligation to purchase TdF's shares could result in an event of default under our debt instruments.

TdF Has an Option to Put to Us Its Interest in Our U.K. Business Following the Second Anniversary of the Roll-Up of Our U.K. Business; This Could Result in A Default Under Our Debt Instruments or Substantial Dilution to Our Other Stockholders

If TdF has not exchanged its interest in Crown Castle UK Holdings Limited for additional interest in CCIC by the second anniversary of the roll-up of our U.K. business, TdF will have the right to require us to purchase all of their shares in Crown Castle UK Holdings Limited, at fair market value. We may elect to pay either (1) in cash or (2) with our common stock at a discount of 15% to its market value. We cannot guarantee that we will have sufficient funds to purchase such shares for cash if TdF were to require us to purchase their shares of capital stock of Crown Castle UK Holdings Limited. If we did not have sufficient funds, we would either need to seek additional financing or purchase the shares with our common stock. We cannot guarantee that we could obtain such financing on terms acceptable to us. In addition, the purchase of these shares for cash could result in an event of default under our debt instruments. If we were to issue shares of common stock to effect the purchase, this:

- would result in substantial dilution to our other stockholders;
- could adversely affect the market prices of the common stock; and
- could impair our ability to raise additional capital through the sale of our equity securities.

TdF Has Preemptive Rights to Acquire Our Common Stock When We Otherwise Issue Common Stock; This Could Result in Substantial Dilution to Our Other Stockholders

Except in limited circumstances, if we issue any equity securities to any person, including the closings of the GTE Wireless transaction, we must offer TdF the right to purchase, at the same cash price, up to an amount of such equity securities as would be necessary for TdF and its affiliates to maintain their consolidated ownership percentage in us before such issuance. TdF exercised these preemptive rights as a result of our acquisition of Millennium Communications Limited in the United Kingdom on October 8, 1998, as a result of our contribution of shares of our common stock to the Bell Atlantic joint venture on March 31, 1999 and as a result of our equity offering in May 1999. The further exercise of these rights by TdF could result in substantial dilution to our other stockholders.

WE REQUIRE SIGNIFICANT CAPITAL TO FUND OUR OPERATIONS AND MAKE ACQUISITIONS

If we are unable to raise capital in the future, we will be unable to achieve our currently contemplated business strategy and may not be able to fund our operations.

We will require substantial capital (1) as we increase the number of towers we own and manage by partnering with wireless carriers to assume ownership or control of their existing towers, by pursuing opportunities to build new towers, or build-to-suit opportunities, for wireless carriers and by pursuing other tower acquisition opportunities and (2) to acquire existing transmission networks globally as opportunities arise. If we are unable to raise capital when our needs arise, we will be unable to pursue our current business strategy and may not be able to fund our operations.

To fund the execution of our business strategy, including the agreed to transactions described in this document and the construction of new towers that we have agreed to build, we expect to use the net proceeds of our recent offerings and borrowings available under our U.S. and U.K. credit facilities. We will have

additional cash needs to fund our operations and acquisitions in the future, including some of the agreed to transactions. We may also have additional cash needs in the near term if additional tower acquisitions or build-to-suit opportunities arise. Some of the opportunities that we are currently pursuing could require significant additional capital. If we do not otherwise have cash available, or borrowings under our credit facilities have otherwise been utilized, when our cash need arises, we would be forced to seek additional debt or equity financing or to forego the opportunity. In the event we determine to seek additional debt or equity financing, there can be no assurance that any such financing will be available, on commercially acceptable terms or at all, or permitted by the terms of our existing indebtedness.

WE MAY NOT BE ABLE TO CONSTRUCT OR ACQUIRE NEW TOWERS AT THE PACE AND IN THE LOCATIONS THAT WE DESIRE

If we are unable to construct new towers at the pace and in the locations that we desire, we may not be able to satisfy our current agreements to build new towers, and we may have difficulty finding tenants to lease space on our new towers. If we are unable to acquire new towers at the pace and in the locations that we desire, our growth may be adversely affected.

Our growth strategy depends in part on our ability to construct and operate towers in conjunction with expansion by wireless carriers. If we are unable to build new towers when wireless carriers require them, or we are unable to build new towers where we believe the best opportunity to add tenants exists, we could fail to meet our contractual obligations under build-to-suit agreements, and we could lose opportunities to lease space on our towers.

We currently have plans to commence construction on approximately 1,170 additional towers during fiscal 2000. Our ability to construct these new towers can be affected by a number of factors beyond our control, including:

- zoning and local permitting requirements and national regulatory approvals;
- availability of construction equipment and skilled construction personnel; and
- bad weather conditions.

In addition, as the concern over tower proliferation has grown in recent years, certain communities have placed restrictions on new tower construction or have delayed granting permits required for construction. You should consider that:

- the barriers to new construction may prevent us from building towers where we want;
- we may not be able to complete the number of towers planned for construction in accordance with the requirements of our customers; and
- we cannot guarantee that there will be a significant need for the construction of new towers once the wireless carriers complete their tower networks.

All of the above factors could affect both our domestic and international operations. In addition, competition laws could prevent us from acquiring or constructing towers or tower networks in certain geographical areas.

OUR BUSINESS DEPENDS ON THE DEMAND FOR WIRELESS COMMUNICATIONS

We will be adversely affected by any slowdown in the growth of, or reduction in demand for, wireless communications.

Demand for our site rentals depends on demand for communication sites from wireless carriers, which, in turn, depends on the demand for wireless services. The demand for our sites depends on many factors which we cannot control, including:

- the level of demand for wireless services generally;
- the financial condition and access to capital of wireless carriers;

- the strategy of carriers relating to owning or leasing communication sites;
- changes in telecommunications regulations; and
- general economic conditions.

A slowdown in the growth of, or reduction in, demand in a particular wireless segment could adversely affect the demand for communication sites. Moreover, wireless carriers often operate with substantial indebtedness, and financial problems for our customers could result in accounts receivable going uncollected, in the loss of a customer and the associated lease revenue or in a reduced ability of these customers to finance expansion activities. Finally, advances in technology, such as the development of new satellite and antenna systems, could reduce the need for land-based, or terrestrial, transmission networks. The occurrence of any of these factors could have a material adverse effect on our financial condition and results of operations.

VARIABILITY IN DEMAND FOR NETWORK SERVICES MAY REDUCE THE PREDICTABILITY OF OUR RESULTS

Our network services business has historically experienced significant volatility in demand. As a result, the operating results of our network services business for any particular period may vary significantly, and should not be considered as necessarily being indicative of longer-term results.

Demand for our network services fluctuates from period to period and within periods. These fluctuations are caused by a number of factors, including:

- the timing of customers' capital expenditures;
- annual budgetary considerations of customers;
- the rate and volume of wireless carriers' tower build-outs;
- timing of existing customer contracts; and
- general economic conditions.

While demand for our network services fluctuates, we must incur certain costs, such as maintaining a staff of network services employees in anticipation of future contracts, even when there may be no current business. Furthermore, as wireless carriers complete their build-outs, the need for the construction of new towers and the demand for our network services could decrease significantly and could result in fluctuations and, possibly, significant declines in our operating performance.

WE OPERATE OUR BUSINESS IN AN INCREASINGLY COMPETITIVE INDUSTRY AND MANY OF OUR COMPETITORS HAVE SIGNIFICANTLY MORE RESOURCES

As a result of this competition, we may find it more difficult to achieve favorable lease rates on our towers and we may be forced to pay more for future tower acquisitions.

We face competition for site rental customers from various sources, including:

- other large independent tower owners;
- wireless carriers that own and operate their own towers and lease antenna space to other carriers;
- site development companies that acquire antenna space on existing towers for wireless carriers and manage new tower construction; and
- traditional local independent tower operators.

Wireless carriers that own and operate their own tower portfolios generally are substantially larger and have greater financial resources than we have. Competition for tenants on towers could adversely affect lease rates and service income.

In addition, competition for the acquisition of towers is keen, and we expect it to continue to grow. We not only compete against other independent tower owners and operators, but also against wireless carriers, broadcasters and site developers. As competition consolidates, we may be faced with fewer acquisition opportunities, as well as higher acquisition prices. While we regularly explore acquisition opportunities, we cannot guarantee that we will be able to identify suitable towers to acquire in the future.

A SUBSTANTIAL PORTION OF OUR REVENUES IS DEPENDENT UPON AGREEMENTS WITH THE BBC, NTL, BELL ATLANTIC, MOBILITY, BELL SOUTH DCS, GTE WIRELESS AND POWERTEL

If we were to lose our contracts with the BBC or our site sharing agreement with NTL, we would likely lose a substantial portion of our revenues. The BBC accounted for approximately 28% of our revenues for the twelve-month period ended December 31, 1999.

Our broadcast business is substantially dependent on our contracts with the BBC. We cannot guarantee that the BBC will renew our contracts or that they will not attempt to negotiate terms that are not as favorable to us as those in place now. If we were to lose these BBC contracts, our business, results of operations and financial condition would be materially adversely affected. The initial term of our analog transmission contract with the BBC will expire on March 31, 2007, and our digital transmission contract with the BBC expires on October 31, 2010. In addition, our digital transmission contract with the BBC may be terminated by the BBC after five years if the BBC's board of governors does not believe that digital television in the United Kingdom has enough viewers.

A substantial portion of our U.K. broadcast transmission operations are conducted using sites owned by National Transmission Limited, or NTL, our major competitor in the United Kingdom. NTL also utilizes our sites for their broadcast operations. This site sharing arrangement with NTL may be terminated with five years' notice by either us or NTL, and may be terminated sooner upon a continuing breach of the agreement. The agreement is set to expire on December 31, 2005. We cannot guarantee that this agreement will not be terminated, which could have a material adverse effect on our business, results of operations and financial condition. Further, a substantial portion of our revenues are received from wireless carriers, particularly carriers which transfer their tower assets to us. We cannot guaranty that the lease or management agreements with such carriers will not be terminated or any carrier will renew such agreements.

EXTENSIVE REGULATIONS WHICH COULD CHANGE AT ANY TIME AND WHICH WE COULD FAIL TO COMPLY WITH REGULATE OUR BUSINESS

If we fail to comply with applicable regulations, we could be fined or even lose our right to conduct some of our business.

A variety of foreign, federal, state and local regulations apply to our business. Failure to comply with applicable requirements may lead to civil penalties or require us to assume costly indemnification obligations or breach contractual provisions. We cannot guarantee that existing regulatory policies will not adversely affect the timing or cost of new tower construction or that additional regulations will not be adopted which increase delays or result in additional costs. These factors could have a material adverse effect on our financial condition and results of operations.

Since we signed our analog transmission contract with the BBC, the BBC has increased its service requirements to include 24-hour broadcasting on our transmission network for the BBC's two national television services and a requirement for us to add a number of additional stations to our network to extend existing BBC services. The BBC has agreed to increases of approximately (Pounds)800,000 ($1,261,200) per year in the charges payable by the BBC to us for these service enhancements. The additional charges, however, may necessitate an amendment to Crown Castle UK Limited's transmission telecommunications license. We are discussing with

OFTEL, the relevant regulatory authority in the United Kingdom, the most appropriate way to rectify this situation in order to allow the additional services to be provided to the BBC in return for the additional agreed payments. There can be no assurance that we will achieve a favorable resolution of these issues with OFTEL.

EMISSIONS FROM OUR ANTENNAS MAY CREATE HEALTH RISKS

We could suffer from future claims if the radio frequency emissions from equipment on our towers is demonstrated to cause negative health effects.

The government imposes requirements and other guidelines on our towers relating to radio frequency emissions. The potential connection between radio frequency emissions and certain negative health effects, including some forms of cancer, has been the subject of substantial study by the scientific community in recent years. To date, the results of these studies have been inconclusive. We cannot guarantee that claims relating to radio frequency emissions will not arise in the future.

OUR INTERNATIONAL OPERATIONS EXPOSE US TO CHANGES IN FOREIGN CURRENCY EXCHANGE RATES

If we fail to properly match or hedge the currencies in which we conduct business, we could suffer losses as a result of changes in currency exchange rates.

We conduct business in countries outside the United States, which exposes us to fluctuations in foreign currency exchange rates. We also intend to expand our international operations in the future. For the twelve-month period ended December 31, 1999, approximately 56% of our consolidated revenues originated outside the United States, all of which were denominated in currencies other than U.S. dollars, principally pounds sterling. We have not historically engaged in significant hedging activities relating to our non-U.S. dollar operations, and we could suffer future losses as a result of changes in currency exchange rates.

WE ARE HEAVILY DEPENDENT ON OUR SENIOR MANAGEMENT

If we lose members of our senior management, we may not be able to find appropriate replacements on a timely basis and our business could be adversely affected.

Our existing operations and continued future development are dependent to a significant extent upon the performance and active participation of certain key individuals, including our chief executive officer and the chief operating officers of our principal U.S. and U.K. subsidiaries. We cannot guarantee that we will be successful in retaining the services of these, or other key personnel. None of our executives have signed noncompetition agreements. If we were to lose any of these individuals, we may not be able to find appropriate replacements on a timely basis and our financial condition and results of operations could be materially adversely affected.

ITEM 2. PROPERTIES

Our principal corporate offices are located in Canonsburg, Pennsylvania, and Houston, Texas.

Location	Title	Size (Sq. Ft.)	Use
Canonsburg, PA	Owned	48,500	Corporate office
Houston, TX	Leased	19,563	Corporate office
Warwick, UK	Owned	50,000	Corporate office

We have approximately 17 additional regional offices in the United States and Puerto Rico which are located throughout our tower coverage areas to serve local customers.

In the United States, our interests in our tower sites are comprised of a variety of ownership interests, leases created by long-term lease agreements, private easements and easements, licenses or rights-of-way granted by government entities. In rural areas, a tower site typically consists of a three- to five-acre tract, which supports towers, equipment shelters and guy wires to stabilize the structure. Less then 3,000 square feet are required for a self-supporting tower structure of the kind typically used in metropolitan areas. Our land leases generally have five- or ten-year terms and frequently contain one or more renewal options. Some land leases provide "trade-out" arrangements whereby we allow the landlord to use tower space in lieu of paying all or part of the land rent. As of December 31, 1999, we had approximately 5,463 land leases in the United States. Under the 2000 Credit Facility, our senior lenders have liens on a substantial number of our land leases and other property interests in the United States.

In the United Kingdom, tower sites range from less than 400 square feet for a small rural TV booster station to over 50 acres for a high-power radio station. As in the United States, the site accommodates the towers, equipment buildings or cabins and, where necessary, guy wires to support the structure. Land is either owned freehold, which is usual for the larger sites, or is held on long-term leases that generally have terms of 21 years or more. As of December 31, 1999, we had approximately 1,605 land leases in the U.K.

ITEM 3. LEGAL PROCEEDINGS

We are occasionally involved in legal proceedings that arise in the ordinary course of business. Most of these proceedings are appeals by landowners of zoning and variance approvals of local zoning boards. While the outcome of these proceedings cannot be predicted with certainty, management does not expect any pending matters to have a material adverse effect on our financial condition or results of operations.

ITEM 4. SUBMISSIONS OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

PRICE RANGE OF COMMON STOCK

The Common Stock was initially offered to the public on August 18, 1998 at a price of $13.00 per share. The Common Stock is listed and traded on The Nasdaq Stock Market's National Market(SM) ("Nasdaq") under the symbol "TWRS". The following table sets forth for the calendar periods indicated the high and low sales prices per share of the Common Stock as reported by Nasdaq.

	High	Low
1998:		
Third Quarter	$ 13.25	$ 6.69
Fourth Quarter	23.50	6.00
1999:		
First Quarter	$ 23.50	$ 16.63
Second Quarter	21.50	16.38
Third Quarter	25.50	14.69
Fourth Quarter	33.50	15.44
2000:		
First Quarter (through March 15, 2000)	$ 42.69	$ 28.19

On March 15, 2000, the last reported sale price of the Common Stock as reported by Nasdaq was $40.06. As of March 15, 2000, there were approximately 473 holders of record of the Common Stock.

DIVIDEND POLICY

We have never declared or paid any cash dividends on our capital stock and do not anticipate paying cash dividends on our capital stock in the foreseeable future. It is our current policy to retain earnings to finance the expansion of our operations. Future declaration and payment of cash dividends, if any, will be determined in light of the then-current conditions, including our earnings, operations, capital requirements, financial condition and other factors deemed relevant by the Board of Directors. In addition, our ability to pay dividends is limited by the terms of our debt instruments and the terms of the certificate of designations in respect of our exchangeable preferred stock.

ISSUANCE OF UNREGISTERED SECURITIES

On December 2, 1999, we issued an additional 599,054 unregistered shares of common stock to an affiliate of BellSouth Corporation, in connection with a closing relating to the BellSouth transaction. The agreement of sublease relating to the BellSouth transaction will close in a series of closings, with approximately 30% of the consideration being paid with our common stock. As of December 31, 1999, we have issued a total of 7,728,787 shares of common stock to BellSouth in connection with closings relating to the BellSouth transaction. See "Business--Recent and Agreed to Transactions." We contemplate that a total of up to 9.1 million shares of our common stock will be issued to BellSouth in connection with the BellSouth transaction.

ITEM 6. SELECTED HISTORICAL FINANCIAL DATA

The selected historical consolidated financial and other data for the Company set forth below for each of the five years in the period ended December 31, 1999, and as of December 31, 1995, 1996, 1997, 1998 and 1999, have been derived from the consolidated financial statements of the Company, which have been audited by KPMG llp, independent certified public accountants. The results of operations for the year ended December 31, 1999 are not comparable to the year ended December 31, 1998, the results for the year ended December 31, 1998 are not comparable to the year ended December 31, 1997, and the results for the year ended December 31, 1997 are not comparable to the year ended December 31, 1996 as a result of business acquisitions consummated in 1997, 1998 and 1999. Results of operations of these acquired businesses are included in the Company's consolidated financial statements for the periods after the respective dates of acquisition. The information set forth below should be read in conjunction with "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Item 8. Financial Statements and Supplementary Data".

	Years Ended December 31,				
	1995	1996	1997	1998	1999
	(In thousands of dollars, except per share amounts)				
STATEMENT OF OPERATIONS DATA:					
Net revenues:					
Site rental and broadcast transmission	$ 4,052	$ 5,615	$ 11,010	$ 75,028	$ 267,894
Network services and other	6	592	20,395	38,050	77,865
Total net revenues	4,058	6,207	31,405	113,078	345,759
Costs of operations:					
Site rental and broadcast transmission	1,226	1,292	2,213	26,254	114,436
Network services and other	--	8	13,137	21,564	42,312
Total costs of operations	1,226	1,300	15,350	47,818	156,748
General and administrative	729	1,678	6,824	23,571	43,823
Corporate development/(a)/	204	1,324	5,731	4,625	5,403
Restructuring charges	--	--	--	--	5,645
Non-cash compensation charges/(b)/	--	--	--	12,758	2,173
Depreciation and amortization	836	1,242	6,952	37,239	130,106
Operating income (loss)	1,063	663	(3,452)	(12,933)	1,861
Equity in earnings (losses) of unconsolidated affiliate	--	--	(1,138)	2,055	--
Interest and other income (expense)/(c)/	53	193	1,951	4,220	17,731
Interest expense and amortization of deferred financing costs	(1,137)	(1,803)	(9,254)	(29,089)	(110,908)
Loss before income taxes, minority interests and cumulative effect of change in accounting principle	(21)	(947)	(11,893)	(35,747)	(91,316)
Provision for income taxes	--	(10)	(49)	(374)	(275)
Minority interests	--	--	--	(1,654)	(2,756)
Loss before cumulative effect of change in accounting principle	(21)	(957)	(11,942)	(37,775)	(94,347)
Cumulative effect of change in accounting principle for costs of start-up activities	--	--	--	--	(2,414)
Net loss	(21)	(957)	(11,942)	(37,775)	(96,761)
Dividends on preferred stock	--	--	(2,199)	(5,411)	(28,881)
Net loss after deduction of dividends on preferred stock	$ (21)	$ (957)	$ (14,141)	$ (43,186)	$ (125,642)
Per common share - basic and diluted:					
Loss before cumulative effect of change in accounting principle	$(0.01)	$(0.27)	$(2.27)	$(1.02)	$(0.94)
Cumulative effect of change in accounting principle	--	--	--	--	(0.02)
Net loss	$(0.01)	$(0.27)	$(2.27)	$(1.02)	$(0.96)
Common shares outstanding - basic and diluted (in thousands)	3,316	3,503	6,238	42,518	131,466
OTHER DATA:					
EBITDA/(d)/	$ 1,899	$ 1,905	$ 3,500	$ 37,064	$ 139,785
Summary cash flow information:					
Net cash provided by (used for) operating activities	1,672	(530)	(624)	44,976	92,608
Net cash used for investing activities	(16,673)	(13,916)	(111,484)	(149,248)	(1,509,146)
Net cash provided by financing activities	15,597	21,193	159,843	345,248	1,670,402
Ratio of earnings to fixed charges/(e)/	--	--	--	--	--
BALANCE SHEET DATA (AT PERIOD END):					
Cash and cash equivalents	$ 596	$ 7,343	$ 55,078	$ 296,450	$ 549,328
Property and equipment, net	16,003	26,753	81,968	592,594	2,468,101
Total assets	19,875	41,226	371,391	1,523,230	3,836,650
Total debt	11,182	22,052	156,293	429,710	1,542,343
Redeemable preferred stock/(f)/	5,175	15,550	160,749	201,063	422,923
Total stockholders' equity (deficit)	619	(210)	41,792	737,562	1,617,747

(a) Corporate development expenses represent costs incurred in connection with acquisitions and development of new business initiatives. These expenses consist primarily of allocated compensation, benefits and overhead costs that are not directly related to the administration or management of existing towers. For the year ended December 31, 1997, such expenses include (1) nonrecurring cash bonuses of $0.9 million paid to certain executive officers in connection with CCIC's initial investment in CCUK (the "CCUK Investment"); and (2) a nonrecurring cash charge of $1.3 million related to the purchase by CCIC of shares of common stock from CCIC's former chief executive officer in connection with the CCUK Investment.
(b) Represents charges related to the issuance of stock options to certain employees and executives.
(c) Includes a $1.2 million fee received in March 1997 as compensation for leading the investment consortium which provided the equity financing for CCUK in connection with the CCUK Investment.
(d) EBITDA is defined as operating income (loss) plus depreciation and amortization and non-cash compensation charges. EBITDA is presented as additional information because management believes it to be a useful indicator of our ability to meet debt service and capital expenditure requirements. It is not, however, intended as an alternative measure of operating results or cash flow from operations (as determined in accordance with generally accepted accounting principles). Furthermore, our measure of EBITDA may not be comparable to similarly titled measures of other companies.
(e) For purposes of computing the ratio of earnings to fixed charges, earnings represent income (loss) before income taxes, fixed charges and equity in earnings (losses) of unconsolidated affiliate. Fixed charges consist of interest expense, the interest component of operating leases and amortization of deferred financing costs. For the years ended December 31, 1995, 1996, 1997, 1998 and 1999, earnings were insufficient to cover fixed charges by $21,000, $0.9 million, $10.8 million, $37.8 million and $91.3 million, respectively.
(f) The 1995, 1996 and 1997 amounts represent (1) the senior convertible preferred stock privately placed by CCIC in August 1997 and October 1997, all of which has been converted into shares of common stock; and (2) the Series A convertible preferred stock, the Series B convertible preferred stock and the Series C convertible preferred stock privately placed by CCIC in April 1995, July 1996 and February 1997, respectively, all of which has been converted into shares of common stock in connection with the consummation of our IPO. The 1998 amount represents the 12 3/4% Senior Exchangeable Preferred Stock due 2010.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion is intended to assist in understanding our consolidated financial condition as of December 31, 1999 and our consolidated results of operations for each year in the three-year period ended December 31, 1999. The statements in this discussion regarding the industry outlook, our expectations regarding the future performance of our businesses and the other nonhistorical statements in this discussion are forward-looking statements. These forward-looking statements are subject to numerous risks and uncertainties, including but not limited to the uncertainties relating to decisions on capital expenditures to be made in the future by wireless carriers and broadcasters. This discussion should be read in conjunction with "Selected Historical Financial Data" and the consolidated financial statements and related notes included elsewhere in this document. Results of operations of the acquired businesses that are wholly and majority owned are included in our consolidated financial statements for the periods subsequent to the respective dates of acquisition. As such, our results of operations for the year ended December 31, 1999 are not comparable to the year ended December 31, 1998, and the results for the year ended December 31, 1998 are not comparable to the year ended December 31, 1997.

OVERVIEW

The continued growth of our business depends substantially on the condition of the wireless communications and broadcast industries. We believe that the demand for communications sites will continue to grow and expect that, due to increased competition, wireless carriers will continue to seek operating and capital efficiencies by (1) outsourcing certain network services and the build-out and operation of new and existing infrastructure; and (2) planning to use a tower site as a common location, or "co-locating", for the placement of their antennas and transmission equipment alongside the equipment of other communications providers. In addition, we believe that more wireless carriers will seek to sell their wireless communications infrastructure to, or establish joint ventures with, experienced infrastructure providers, such as the Company, that have the ability to manage networks.

Further, we believe that wireless carriers and broadcasters will continue to seek to outsource the operation of their towers and, eventually, their transmission networks, including the transmission of their signals. Management believes that our ability to manage towers and transmission networks and our proven track record of providing services addressing all aspects of signaling systems from the originating station to the terminating

receiver, or "end-to-end" services, to the wireless communications and broadcasting industries position our company to capture such business.

The willingness of wireless carriers to utilize our infrastructure and related services is affected by numerous factors, including:

- consumer demand for wireless services;
- interest rates;
- cost of capital;
- availability of capital to wireless carriers;
- tax policies;
- willingness to co-locate equipment;
- local restrictions on the proliferation of towers;
- cost of building towers; and
- technological changes affecting the number of communications sites needed to provide wireless communications services to a given geographic area.

Our revenues that are derived from the provision of transmission services to the broadcasting industry will be affected by:

- the timing of the roll-out of digital television broadcasts from tower-mounted antenna systems, or "digital terrestrial television broadcasts", in the United Kingdom, as well as in the United States and other countries around the world;
- consumer demand for digital terrestrial broadcasting;
- interest rates;
- cost of capital;
- zoning restrictions on towers; and
- the cost of building towers.

As an important part of our business strategy, we will seek:

(1) to maximize utilization of our tower capacity,

(2) to utilize the expertise of U.S. and U.K. personnel to capture global growth opportunities,

(3) to partner with wireless carriers to assume ownership of their existing towers, and

(4) to acquire existing transmission networks globally as opportunities arise.

RESULTS OF OPERATIONS

Our primary sources of revenues are from:

(1) renting antenna space on towers and rooftops sites,

(2) providing analog and digital broadcast transmission services, and

(3) providing network services.

Site rental revenues in the U.S. are received primarily from wireless communications companies, including those operating in the following categories of wireless communications:

- microwave;
- cellular;
- personal communications services, a digital service operating at a higher frequency range than cellular and is provided by companies such as Sprint PCS, OmniPoint and PrimeCo;
- paging;
- specialized mobile radio, a service operating in the frequency range used for two-way radio communication by public safety, trucking companies, and other dispatch service users; and
- enhanced specialized mobile radio, a service operating in the frequency range typically used for digital communications and provided by Nextel and others.

Site rental revenues are generally recognized on a monthly basis under lease agreements, which typically have original terms of five years (with three or four optional renewal periods of five years each). Average revenues for our managed rooftop sites are significantly less than for the owned and managed towers because a substantial portion of the revenues from the tenants at rooftop sites is remitted to the building owner or manager.

Broadcast transmission services revenues in the U.K. are received for both analog and digital transmission services. Monthly analog transmission revenues are principally received from the BBC under a contract with an initial 10-year term through March 31, 2007. Digital transmission services revenues from the BBC and ONdigital are recognized under contracts with initial terms of 12 years through November 15, 2010. Monthly revenues from these digital transmission contracts increase over time as the network rollout progresses. See "Item 1. Business--U.K. Operations--Significant Contracts".

Site rental revenues in the U.K. are received from other broadcast transmission service providers (primarily NTL) and wireless communications companies, including all four U.K. cellular operators (Cellnet, Vodafone, One2One and Orange). Site rental revenues are generally recognized on a monthly basis under lease agreements with original terms of three to 12 years. Such lease agreements generally require annual payments in advance, and include rental rate adjustment provisions between one and three years from the commencement of the lease. Site rental revenues are expected to become an increasing portion of CCUK's total U.K. revenue base, and we believe that the demand for site rental from communication service providers will increase in line with the expected growth of these communication services in the United Kingdom.

Network services revenues in the U.S. consist of revenues from:

(1) network design and site selection,

(2) site acquisition,

(3) site development and construction,

(4) antenna installation, and

(5) other services.

Network services revenues are received primarily from wireless communications companies. Network services revenues in the U.S. are recognized under service contracts which provide for billings on either a fixed price basis or a time and materials basis. Demand for our network services fluctuates from period to period and within periods. See "Item 1. Business--Risk Factors--Variability in Demand for Network Services May Reduce the Predictability of Our Results". Consequently, the operating results of our network services businesses for any particular period may vary significantly, and should not be considered as indicative of longer-term results. We also derive revenues from the ownership and operation of microwave radio and

specialized mobile radio networks in Puerto Rico where we own radio wave spectrum in the 2,000 MHz and 6,000 MHz range (for microwave radio) and the 800 MHz range (for specialized mobile radio). These revenues are generally recognized under monthly management or service agreements.

Network services revenues in the U.K. consist of (1) network design and site selection, site acquisition, site development and antenna installation and (2) site management and other services. Network design and development and related services are provided to:

(1) a number of broadcasting and related organizations, both in the United Kingdom and other countries,

(2) all four U.K. cellular operators, and

(3) a number of other wireless communications companies, including Dolphin and Highway One.

These services are usually subject to a competitive bid, although a significant proportion result from an operator coming onto an existing CCUK site. Revenues from such services are recognized on either a fixed price or a time and materials basis. Site management and other services, consisting of both network monitoring and equipment maintenance, are carried out in the United Kingdom for a number of emergency service organizations. CCUK receives revenues for such services under contracts with original terms of between three and five years. Such contracts provide fixed prices for network monitoring and variable pricing dependent on the level of equipment maintenance carried out in a given period.

Costs of operations for site rental in the U.S. primarily consist of:

. land leases;

. repairs and maintenance;

. utilities;

. insurance;

. property taxes;

. monitoring costs; and

. in the case of managed sites, rental payments.

For any given tower, such costs are relatively fixed over a monthly or an annual time period. As such, operating costs for owned towers do not generally increase significantly as additional customers are added. However, rental expenses at certain managed towers increase as additional customer antennas are added, resulting in higher incremental revenues but lower incremental margins than on owned towers.

Costs of operations for broadcast transmission services in the U.K. consist primarily of employee compensation and related benefits costs, utilities, rental payments under the Site-Sharing Agreement with NTL, circuit costs and repairs and maintenance on both transmission equipment and structures. Site rental operating costs in the U.K. consist primarily of employee compensation and related benefits costs, utilities and repairs and maintenance. The majority of such costs are relatively fixed in nature, with increases in revenue from new installations on existing sites generally being achieved without a corresponding increase in costs.

Costs of operations for network services consist primarily of employee compensation and related benefits costs, subcontractor services, consulting fees, and other on-site construction and materials costs. We incur these network services costs (1) to support our internal operations, including construction and maintenance of our owned towers, and (2) to maintain the employees necessary to provide end-to-end services to third parties regardless of the level of such business at any time. We believe that our experienced staff enables us to provide the type of end-to-end services that enhance our ability to acquire access to the infrastructure of wireless carriers and to attract significant build-to-suit contracts.

General and administrative expenses consist primarily of:

- employee compensation, training, recruitment and related benefits costs;
- advertising;
- professional and consulting fees;
- office rent and related expenses; and
- travel costs.

Corporate development expenses represent costs incurred in connection with acquisitions and development of new business initiatives. These expenses consist primarily of:

- allocated compensation and external professional fees;
- benefits; and
- overhead costs that are not directly related to the administration or management of existing towers.

Depreciation and amortization charges relate to our property and equipment (which consists primarily of towers, broadcast transmission equipment, associated buildings, construction equipment and vehicles), goodwill and other intangible assets recorded in connection with business acquisitions. Depreciation of towers, broadcast transmission equipment and amortization of goodwill are computed with a useful life of 20 years. Amortization of other intangible assets (principally the value of existing site rental contracts at Crown Communication) is computed with a useful life of 10 years. Depreciation of buildings is computed with useful lives ranging from 20 to 50 years. Depreciation of construction equipment and vehicles are generally computed with useful lives of 10 years and 5 years, respectively.

In May 1997, we completed the acquisition of TEA and the acquisition of TeleStructures. In August 1997, we completed the acquisition of Crown Communication. In August 1998, we completed a share exchange with the shareholders of CCUK, under which our ownership of CCUK increased from approximately 34.3% to 80%. In October 1998, CCUK completed the acquisition of Millennium. In March 1999, we completed the formation of Crown Atlantic. In June and December of 1999, we completed the acquisition of towers from Powertel. Finally, during 1999 we completed the substantial portions of the transactions with BellSouth and BellSouth DCS. Results of operations of these acquired businesses and towers are included in our consolidated financial statements for the periods subsequent to the respective dates of acquisition. As such, our results of operations for the year ended December 31, 1999 are not comparable to the year ended December 31, 1998, and the results for the year ended December 31, 1998 are not comparable to the year ended December 31, 1997.

The following information is derived from our historical Consolidated Statements of Operations for the periods indicated.

	Year Ended December 31, 1997		Year Ended December 31, 1998		Year Ended December 31, 1999	
	Amount	Percent of Net Revenues	Amount	Percent of Net Revenues	Amount	Percent of Net Revenues
	(In thousands of dollars)					
Net revenues:						
Site rental and broadcast transmission	$ 11,010	35.1%	$ 75,028	66.4%	$ 267,894	77.5%
Network services and other	20,395	64.9	38,050	33.6	77,865	22.5
Total net revenues	31,405	100.0	113,078	100.0	345,759	100.0
Operating expenses:						
Costs of operations:						
Site rental and broadcast transmission	2,213	20.1	26,254	35.0	114,436	42.7
Network services and other	13,137	64.4	21,564	56.7	42,312	54.3
Total costs of operations	15,350	48.9	47,818	42.3	156,748	45.4
General and administrative	6,824	21.7	23,571	20.8	43,823	12.7
Corporate development	5,731	18.3	4,625	4.1	5,403	1.6
Restructuring charges	--	--	--	--	5,645	1.6
Non-cash compensation charges	--	--	12,758	11.3	2,173	0.6
Depreciation and amortization	6,952	22.1	37,239	32.9	130,106	37.6
Operating income (loss)	(3,452)	(11.0)	(12,933)	(11.4)	1,861	0.5
Other income (expense):						
Equity in earnings (losses) of unconsolidated affiliate	(1,138)	(3.6)	2,055	1.8	--	--
Interest and other income (expense)	1,951	6.2	4,220	3.7	17,731	5.1
Interest expense and amortization of deferred financing costs	(9,254)	(29.5)	(29,089)	(25.7)	(110,908)	(32.0)
Loss before income taxes, minority interests and cumulative effect of change in accounting principle	(11,893)	(37.9)	(35,747)	(31.6)	(91,316)	(26.4)
Provision for income taxes	(49)	(0.1)	(374)	(0.3)	(275)	(0.1)
Minority interests	--	--	(1,654)	(1.5)	(2,756)	(0.8)
Loss before cumulative effect of change in accounting principle	(11,942)	(38.0)	(37,775)	(33.4)	(94,347)	(27.3)
Cumulative effect of change in accounting principle for costs of start-up activities	--	--	--	--	(2,414)	(0.7)
Net loss	$(11,942)	(38.0)%	$(37,775)	(33.4)%	$ (96,761)	(28.0)%

Comparison of Years Ended December 31, 1999 and 1998

Consolidated revenues for 1999 were $345.8 million, an increase of $232.7 million from 1998. This increase was primarily attributable to:

(1) a $192.9 million, or 257.1%, increase in site rental and broadcast transmission revenues, of which $119.5 million was attributable to CCUK, $37.6 million was attributable to Crown Atlantic and $35.8 million was attributable to CCUSA,

(2) a $12.9 million increase in network services and other revenues from CCUSA,

(3) a $16.1 million increase in network services and other revenues from CCUK, and

(4) $10.3 million in network services and other revenues from Crown Atlantic.

Costs of operations for 1999 were $156.7 million, an increase of $108.9 million from 1998. This increase was primarily attributable to:

(1) an $88.2 million increase in site rental and broadcast transmission costs, of which $57.3 million was attributable to CCUK, $16.3 million was attributable to Crown Atlantic and $14.6 million was attributable to CCUSA,

(2) a $4.0 million increase in network services costs related to CCUSA,

(3) an $11.4 million increase in network services costs from CCUK, and

(4) $4.7 million in network services costs from Crown Atlantic.

Costs of operations for site rental and broadcast transmission as a percentage of site rental and broadcast transmission revenues increased to 42.7% for 1999 from 35.0% for 1998 because of higher costs attributable to the CCUK, Crown Atlantic and CCUSA operations. Costs of operations for network services and other as a percentage of network services and other revenues decreased to 54.3% for 1999 from 56.7% for 1998, primarily due to higher margins from the CCUK, Crown Atlantic and CCUSA operations.

General and administrative expenses for 1999 were $43.8 million, an increase of $20.3 million from 1998. This increase was primarily attributable to:

(1) a $10.1 million increase in expenses related to the CCUSA operations,

(2) a $1.8 million increase in expenses at our corporate office,

(3) a $3.2 million increase in expenses at CCUK, and

(4) $5.1 million in expenses at Crown Atlantic.

General and administrative expenses as a percentage of revenues decreased for 1999 to 12.7% from 20.8% for 1998 because of lower overhead costs as a percentage of revenues for CCUK, Crown Atlantic and CCUSA.

Corporate development expenses for 1999 were $5.4 million, compared to $4.6 million for 1998. This increase was attributable to$0.8 million in expenses at CCUK. Corporate development expenses for 1998 include discretionary bonuses related to our performance totaling approximately $0.8 million for certain members of our management.

In connection with the formation of Crown Atlantic, we completed a restructuring of our United States operations during the first quarter of 1999. The objective of this restructuring was to transition from a centralized organization to a regionally-based organization in the United States. In the first quarter of 1999, we recorded one-time charges of $1.8 million related to severance payments for staff reductions, as well as costs related to non-cancelable leases of excess office space.

We completed a restructuring of our TeleStructures, Inc. operations in December 1999. The objective of this restructuring was to reduce the size of the TeleStructures, Inc. staff to a level which could be justified by its current operating volume. In the fourth quarter of 1999, we recorded one-time charges totaling $3.8 million related to severance payments for the staff reductions, the recognition of an impairment loss for the remaining goodwill from the acquisition and other related costs.

For 1999, we recorded non-cash compensation charges of $2.2 million related to the issuance of stock options to certain employees and executives, compared to $12.8 million for 1998. See "--Compensation Charges Related to Stock Option Grants".

Depreciation and amortization for 1999 was $130.1 million, an increase of $92.9 million from 1998. This increase was primarily attributable to:

(1) a $43.3 million increase in depreciation and amortization related to the property and equipment and goodwill from CCUK,

(2) $24.2 million of depreciation and amortization related to the property and equipment and goodwill from Crown Atlantic, and

(3) a $25.0 million increase in depreciation and amortization related to the property and equipment, goodwill and other intangible assets related to the CCUSA operations.

The equity in earnings (losses) of unconsolidated affiliate represents our 34.3% share of CCUK's net earnings (losses) for the periods prior to August 1998, at which time the share exchange with CCUK's shareholders was completed. For the eight months ended August 31, 1998, after making appropriate adjustments to CCUK's results of operations for such period to conform to generally accepted accounting principles of the United States, CCUK had net revenues, operating income, interest expense (including amortization of deferred financing costs) and net income of $97.2 million, $18.6 million, $13.4 million and $6.0 million, respectively. Included in CCUK's results of operations for such period are non-cash compensation charges for approximately $3.8 million related to the issuance of stock options to certain members of CCUK's management.

Interest and other income (expense) for 1999 resulted primarily from:

(1) the investment of the net proceeds from our initial public offering of common stock in August 1998,

(2) the investment of the excess proceeds from the sale of our 12 3/4% senior exchangeable preferred stock in December 1998,

(3) the investment of the excess proceeds from the sale of our common stock, 10 3/8% discount notes and 9% senior notes in May 1999,

(4) the investment of the proceeds from the sale of our common stock to TdF in June and July of 1999,

(5) the investment of the net proceeds from the sale of our 11 1/4% discount notes and 9 1/2% senior notes in July 1999, and

(6) the investment of the net proceeds from the sale of our 8 1/4% convertible preferred stock in November 1999, partially offset by costs incurred in connection with unsuccessful acquisition attempts, costs incurred in connection with an offering of common stock by one of our shareholders, a loss incurred upon the disposition of an investment in an affiliate and costs incurred in connection with a solicitation of consents from certain of our bond and preferred stock holders.

Interest and other income (expense) for 1998 resulted primarily from (1) the investment of the excess proceeds from the sale of the 10 5/8% discount notes in November 1997; and (2) the investment of the net proceeds from the initial public offering in August 1998. See "--Liquidity and Capital Resources".

Interest expense and amortization of deferred financing costs for 1999 was $110.9 million, an increase of $81.8 million, or 281.3%, from 1998. This increase was primarily attributable to interest on indebtedness at CCUK and Crown Atlantic, amortization of the original issue discount on the 10 3/8% discount notes and the 11 1/4% discount notes, interest on the 9% senior notes and the 9 1/2% senior notes, and interest and fees on the term loans used to finance the BellSouth and Powertel escrow payments.

Minority interests represent the minority shareholder's 20% interest in CCUK's operations and the minority partner's 38.5% interest in Crown Atlantic's operations.

The cumulative effect of the change in accounting principle for costs of start-up activities represents the charge we recorded upon the adoption of SOP 98-5 on January 1, 1999.

Comparison of Years Ended December 31, 1998 and 1997

Consolidated revenues for 1998 were $113.1 million, an increase of $81.7 million from 1997. This increase was primarily attributable to:

(1) a $64.0 million, or 581.5%, increase in site rental and broadcast transmission revenues, of which $52.5 million was attributable to CCUK and $11.5 million was attributable to the CCUSA operations,

(2) an $11.4 million increase in network services revenues from the CCUSA operations, and

(3) $5.6 million in network services revenues from CCUK.

Costs of operations for 1998 were $47.8 million, an increase of $32.5 million from 1997. This increase was primarily attributable to:

(1) a $24.0 million increase in site rental and broadcast transmission costs, of which $20.1 million was attributable to CCUK and $3.9 million was attributable to the CCUSA operations,

(2) a $3.8 million increase in network services costs related to the CCUSA operations, and

(3) $4.2 million in network services costs from CCUK.

Costs of operations for site rental and broadcast transmission as a percentage of site rental and broadcast transmission revenues increased to 35.0% for 1998 from 20.1% for 1997, primarily due to (1) higher costs attributable to the CCUK operations which are inherent with CCUK's broadcast transmission business, and (2) higher costs for the CCUSA operations. Costs of operations for network services as a percentage of network services revenues decreased to 56.7% for 1998 from 64.4% for 1997, primarily due to improved margins from the CCUSA operations. Margins from the CCUSA network services operations vary from period to period, often as a result of increasingly competitive market conditions.

General and administrative expenses for 1998 were $23.6 million, an increase of $16.7 million from 1997. This increase was primarily attributable to:

(1) an $11.3 million increase in expenses related to the CCUSA operations,

(2) a $2.8 million increase in expenses at our corporate office, and

(3) $2.4 million in expenses at CCUK.

General and administrative expenses as a percentage of revenues decreased for 1998 to 20.8% from 21.7% for 1997 because of lower overhead costs as a percentage of revenues for CCUK, partially offset by higher overhead costs as a percentage of revenues for CCUSA and the increase in costs at our corporate office.

Corporate development expenses for 1998 were $4.6 million, a decrease of $1.1 million from 1997. Corporate development expenses for 1997 included nonrecurring compensation charges associated with the CCUK investment of (1) $0.9 million for certain executive bonuses and (2) the repurchase of shares of our common stock from a member of our board of directors, which resulted in compensation charges of $1.3 million. Corporate development expenses for 1998 included discretionary bonuses related to our performance totaling approximately $1.8 million for certain members of our management.

We have recorded non-cash compensation charges of $12.8 million related to the issuance of stock options to certain employees and executives. Such charges are expected to amount to approximately $1.6 million per year through 2002 and approximately $0.8 million in 2003. See "--Compensation Charges Related to Stock Option Grants".

Depreciation and amortization for 1998 was $37.2 million, an increase of $30.3 million from 1997. This increase was primarily attributable to (1) a $9.5 million increase in depreciation and amortization related to the

property and equipment, goodwill and other intangible assets acquired in the Crown Communication acquisition; and (2) $20.3 million of depreciation and amortization related to the property and equipment and goodwill from CCUK.

The equity in earnings (losses) of unconsolidated affiliate represents our 34.3% share of CCUK's net earnings (losses) for the periods from March 1997 through August 1998, at which time the share exchange with CCUK's shareholders was completed. For the period from March through December 1997, after making appropriate adjustments to CCUK's results of operations for such period to conform to generally accepted accounting principles of the United States, CCUK had net revenues, operating income, interest expense (including amortization of deferred financing costs) and net losses of $103.5 million, $16.5 million, $20.4 million and $3.3 million, respectively.

Interest and other income for 1997 includes a $1.2 million fee received in March 1997 as compensation for leading the investment consortium which provided the equity financing for CCUK. Interest income for 1998 resulted primarily from (1) the investment of excess proceeds from the sale of the 10 5/8% discount notes in November 1997; and (2) the investment of the net proceeds from the initial public offering in August 1998. See "--Liquidity and Capital Resources".

Interest expense and amortization of deferred financing costs for 1998 was $29.1 million, an increase of $19.8 million, or 214.3%, from 1997. This increase was primarily attributable to amortization of the original issue discount on the 10 5/8% discount notes and interest on CCUK's indebtedness.

Minority interests represent the minority shareholder's 20% interest in CCUK's operations.

LIQUIDITY AND CAPITAL RESOURCES

Our business strategy contemplates substantial capital expenditures:

(1) in connection with the expansion of our tower portfolios by partnering with wireless carriers to assume ownership or control of their existing towers, by pursuing build-to-suit opportunities, and by pursuing other tower acquisition opportunities, and

(2) to acquire existing transmission networks globally as opportunities arise.

Since its inception, CCIC has generally funded its activities, other than acquisitions and investments, through excess proceeds from contributions of equity capital and cash provided by operations. CCIC has financed acquisitions and investments with the proceeds from equity contributions, borrowings under our senior credit facilities, issuances of debt securities and the issuance of promissory notes to sellers. Since its inception, CCUK has generally funded its activities, other than the acquisition of the BBC home service transmission business, through cash provided by operations and borrowings under CCUK's credit facility. CCUK financed the acquisition of the BBC home service transmission business with the proceeds from equity contributions and the issuance of the CCUK bonds.

For the years ended December 31, 1997, 1998 and 1999, our net cash provided by (used for) operating activities was ($0.6 million), $45.0 million and $92.6 million, respectively. For the years ended December 31, 1997, 1998 and 1999, our net cash provided by financing activities was $159.8 million, $345.2 million and $1,670.4 million, respectively. Our primary financing-related activities in 1999 and the first quarter of 2000 included the following:

May Offerings

On May 12, 1999, we completed public offerings of debt and equity securities. We sold (1) 21,000,000 shares of our common stock at a price of $17.50 per share and received proceeds of $352.8 million (after

underwriting discounts of $14.7 million), (2) $500.0 million aggregate principal amount at maturity of our 10 3/8% discount notes for proceeds of $292.6 million (net of original issue discount of $198.3 million and after underwriting discounts of $9.1 million), and (3) $180.0 million aggregate principle amount of our 9% senior notes for proceeds of $174.6 million (after underwriting discounts of $5.4 million). We had granted the underwriters for the offerings an over-allotment option to purchase an additional 3,150,000 shares of our common stock. On May 13, 1999, the underwriters exercised this over-allotment option in full. As a result, we received additional proceeds of $52.9 million (after underwriting discounts of $2.2 million). A portion of the proceeds from these offerings was used to repay amounts drawn under the term loans in connection with the BellSouth and Powertel transactions. The remaining proceeds will be used to pay the remaining purchase price for the BellSouth and Powertel transactions, to fund our initial interest payments on the 9% senior notes and for general corporate purposes.

Sales of Common Stock to TdF

On June 15, 1999, we sold shares of our common stock to a subsidiary of TdF pursuant to TdF's preemptive rights related to two recent acquisitions. We sold 5,395,539 shares at $12.63 per share and 125,066 shares at $13.00 per share. The aggregate proceeds of approximately $69.8 million will be used for general corporate purposes. On July 20, 1999, we sold shares of our common stock to a subsidiary of TdF pursuant to TdF's preemptive rights related to the May offerings. We sold 8,351,791 shares at $16.80 per share. The aggregate proceeds of approximately $140.3 million will be used for general corporate purposes.

July Offerings

On July 27, 1999, we sold debt securities in a private placement. We sold (1) $260.0 million aggregate principal amount at maturity of our 11 1/4% discount notes for proceeds of $147.5 million (net of original issue discount of $109.5 million and after underwriting discounts of $3.0 million) and (2) $125.0 million aggregate principle amount of our 9 1/2% senior notes for proceeds of $122.5 million (after underwriting discounts of $2.5 million). The proceeds from the sale of these securities will be used to pay the remaining purchase price for the BellSouth DCS transaction, to fund our initial interest payments on the 9 1/2% senior notes and for general corporate purposes.

Sale of Preferred Stock to GECC

On November 19, 1999, we issued 200,000 shares of our 8 1/4% convertible preferred stock at a price of $1,000 per share (the liquidation preference per share) to GECC. We received net proceeds of approximately $191.5 million (after structuring and underwriting fees of $8.5 million but before other expenses of the transaction). The net proceeds will be used to pay a portion of the purchase price for the GTE joint venture. GECC also received warrants to purchase 1.0 million shares of our common stock at an exercise price of $26.875 per share. The warrants are exercisable, in whole or in part, at any time for a period of five years following the issue date.

2000 Credit Facility

In March 2000, a subsidiary of CCIC entered into a credit agreement with a syndicate of banks which consists of two term loan facilities and a revolving line of credit aggregating $1,200.0 million. Available borrowings under the 2000 credit facility are generally to be used for the construction and purchase of towers and for general corporate purposes of CCUSA, Crown Castle GT and CCAL. The amount of available borrowings will be determined based on the current financial performance (as defined) of those subsidiaries' assets. In addition, up to $25.0 million of borrowing availability under the 2000 credit facility can be used for letters of credit. On March 15, 2000, we used $83.4 million in borrowings under the 2000 credit facility to repay outstanding borrowings and accrued interest under the Crown Communication senior credit facility. The net proceeds from $316.6 million in additional borrowings will be used to fund a portion of the purchase price for the GTE joint venture and for general corporate purposes. In the first quarter of 2000, Crown Communication will record an extraordinary loss of approximately $1.7 million consisting of the write-off of unamortized deferred financing costs related to the senior credit facility.

Capital expenditures were $293.8 million for the year ended December 31, 1999, of which $1.0 million were for CCIC, $119.0 million were for CCUSA, $23.3 million were for Crown Atlantic and $150.5 million were for CCUK. We anticipate that we will build, through the end of 2000, approximately 900 towers in the United States at a cost of approximately $225.0 million and approximately 270 towers in the United Kingdom at a cost of approximately $45.0 million. We also expect that the capital expenditure requirements related to the roll-out of digital broadcast transmission in the United Kingdom will be approximately (Pounds)17.5 million ($28.0 million).

In addition to capital expenditures in connection with build-to-suits, we expect to apply a significant amount of capital to finance the remaining cash portion of the consideration being paid in connection with the recent and agreed to transactions discussed below.

In connection with the Bell Atlantic joint venture, we issued approximately 15.6 million shares of our common stock and contributed $250.0 million in cash to the joint venture. The joint venture borrowed approximately $180.0 million under the Crown Atlantic credit facility, following which the joint venture made a $380.0 million cash distribution to Bell Atlantic.

In connection with the BellSouth transaction, through February 2, 2000, we have issued approximately 8.2 million shares of our common stock and paid BellSouth $390.6 million in cash. We expect to (1) issue an additional 0.9 million shares of our common stock and (2) use a portion of the net proceeds from our recent offerings to finance the remaining $39.4 million cash purchase price for this transaction.

In connection with the Powertel acquisition, we paid Powertel $275.0 million in cash.

In connection with the BellSouth DCS transaction, through February 2, 2000, we have paid BellSouth DCS $277.5 million in cash. We expect to use a portion of the net proceeds from our recent offerings to finance the remaining $39.4 million cash purchase price for this transaction.

On November 7, 1999, we entered into an agreement with GTE to form a joint venture to own and operate a significant majority of GTE's towers. Upon formation of the GTE joint venture (which will occur in multiple closings during 2000), (1) we will contribute approximately $825.0 million (of which up to $100.0 million can be in shares of our common stock, with the balance in cash) in exchange for a majority ownership interest in the joint venture, and (2) GTE will contribute approximately 2,300 towers in exchange for a cash distribution of approximately $800.0 million (less any amount contributed in the form of our common stock) from the joint venture and a minority ownership interest in the joint venture. Upon dissolution of the joint venture, GTE would receive (1) any shares of our common stock contributed to the joint venture and (2) a payment equal to approximately 11.4% of the fair market value of the joint venture's other net assets; we would then receive the remaining assets and liabilities of the joint venture. We will account for our investment in the GTE joint venture as a purchase of tower assets, and will include the joint venture's results of operations and cash flows in our consolidated financial statements for periods subsequent to formation. Upon entering into this agreement, we placed $50.0 million into an escrow account; such funds would be forfeited if we failed to close this transaction because we were unable to obtain adequate financing. On January 31, 2000, the formation of the GTE joint venture took place with the first closing of towers. We contributed $223.9 million in cash to the joint venture, and GTE contributed 637 towers in exchange for a cash distribution of $198.9 million from the joint venture. We expect to use borrowings under our 2000 credit facility to finance most of the remaining $601.1 million purchase price for this transaction.

In March 2000, CCAL (our 66.7% owned subsidiary) entered into an agreement to purchase approximately 700 towers in Australia from Cable & Wireless Optus. The total purchase price for the towers will be approximately $135.0 million in cash (Australian $220.0 million), and the purchase is expected to close in the second quarter of 2000. We will account for our investment in CCAL as a purchase of tower assets, and will include CCAL's results of operations and cash flows

in our consolidated financial statements for periods subsequent to the purchase date. We expect to use borrowings under our 2000 credit facility to finance the cash purchase price for this transaction.

We expect that the completion of the recent and agreed to transactions and the execution of our new tower build, or build-to-suit program, will have a material impact on our liquidity. We expect that once integrated, these transactions will have a positive impact on liquidity, but will require some period of time to offset the initial adverse impact on liquidity. In addition, we believe that as new towers become operational and we begin to add tenants, they should result in a long-term increase in liquidity.

Our liquidity may also be materially impacted if we fail to complete the GTE joint venture transaction. We expect to finance most of the purchase price for this transaction with borrowings under the 2000 credit facility, and we are currently investigating various financing alternatives for the remaining amount. There can be no assurance, however, that we will be able to obtain any such financing, and we may be forced to forego a portion of the towers included in this transaction. If that were to occur, we would likely be forced to forfeit all or part of the related escrow payment. If we were to fail to complete this transaction and forfeit all or any significant portion of the $50.0 million escrow payment made in connection with the transaction, it would have a material adverse effect on our financial condition, including our ability to implement our current business strategy. See "Item 1. Business--Risk Factors--We May Not Complete the Agreed To Transactions".

To fund the execution of our business strategy, including the recent and agreed to transactions described above and the construction of new towers that we have agreed to build, we expect to use the net proceeds of our recent offerings and borrowings available under our U.S. and U.K. credit facilities. We will have additional cash needs to fund our operations in the future. We may also have additional cash needs in the near term if additional tower acquisitions or build-to-suit opportunities arise. Some of the opportunities that we are currently pursuing could require significant additional capital. If we do not otherwise have cash available, or borrowings under our credit facilities have otherwise been utilized, when our cash need arises, we would be forced to seek additional debt or equity financing or to forego the opportunity. In the event we determine to seek additional debt or equity financing, there can be no assurance that any such financing will be available, on commercially acceptable terms or at all, or permitted by the terms of our existing indebtedness. We expect to raise additional funds in the near term with bank loans, debt or equity financing.

As of December 31, 1999, we had consolidated cash and cash equivalents of $549.3 million (including $14.6 million at CCUK and $40.0 million at Crown Atlantic), consolidated long-term debt of $1,542.3 million, consolidated redeemable preferred stock of $422.9 million and consolidated stockholders' equity of $1,617.7 million.

As of March 1, 2000, Crown Atlantic had unused borrowing availability under its credit facility of approximately $70.0 million, and CCUK had unused borrowing availability under its credit facility of approximately (Pounds)65.0 million ($102.6 million). As of March 15, 2000, our subsidiaries had approximately $100.0 million of unused borrowing availability under the 2000 credit facility. Our various credit facilities require our subsidiaries to maintain certain financial covenants and place restrictions on the ability of our subsidiaries to, among other things, incur debt and liens, pay dividends, make capital expenditures, undertake transactions with affiliates and make investments. These facilities also limit the ability of the borrowing subsidiaries to pay dividends to CCIC.

If we are unable to refinance our subsidiary debt or renegotiate the terms of such debt, we may not be able to meet our debt service requirements, including interest payments on the notes, in the future. Our 9% senior notes and our 9 1/2% senior notes will require annual cash interest payments of approximately $16.2 million and $11.9 million, respectively. Prior to November 15, 2002, May 15, 2004 and August 1, 2004, the interest expense on our 10 3/8% discount notes, our 10 5/8% discount notes and our 11 1/4% discount notes, respectively, will be comprised solely of the amortization of original issue discount. Thereafter, the 10 5/8% discount notes, the 10 3/8% discount notes and the 11 1/4% discount notes will require annual cash interest payments of

approximately $26.7 million, $51.9 million and $29.3 million, respectively. Prior to December 15, 2003, we do not expect to pay cash dividends on our exchangeable preferred stock or, if issued, cash interest on the exchange debentures. Thereafter, assuming all dividends or interest have been paid-in-kind, our exchangeable preferred stock or, if issued, the exchange debentures will require annual cash dividend or interest payments of approximately $47.8 million. Annual cash interest payments on the CCUK bonds are (Pounds)11.25 million ($18.2 million). In addition, our various credit facilities will require periodic interest payments on amounts borrowed thereunder.

As a holding company, CCIC will require distributions or dividends from its subsidiaries, or will be forced to use capital raised in debt and equity offerings, to fund its debt obligations, including interest payments on the cash-pay notes and eventually the 10 5/8% discount notes, the 10 3/8% discount notes and the 11 1/4% discount notes. The terms of the indebtedness of our subsidiaries significantly limit their ability to distribute cash to CCIC. As a result, we will be required to apply a portion of the net proceeds from the recent debt offerings to fund interest payments on the cash-pay notes. If we do not retain sufficient funds from the offerings or any future financing, we may not be able to make our interest payments on the cash-pay notes.

Our ability to make scheduled payments of principal of, or to pay interest on, our debt obligations, and our ability to refinance any such debt obligations, will depend on our future performance, which, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control. We anticipate that we may need to refinance all or a portion of our indebtedness on or prior to its scheduled maturity. There can be no assurance that we will be able to effect any required refinancings of our indebtedness on commercially reasonable terms or at all. See "Item 1. Business--Risk Factors".

REPORTING REQUIREMENTS UNDER THE INDENTURES GOVERNING THE COMPANY'S DEBT SECURITIES AND THE CERTIFICATE OF DESIGNATIONS GOVERNING THE COMPANY'S 12 3/4% SENIOR EXCHANGEABLE PREFERRED STOCK (THE "CERTIFICATE")

The following information (as such capitalized terms are defined in the Indentures and the Certificate) is presented solely as a requirement of the Indentures and the Certificate; such information is not intended as an alternative measure of financial position, operating results or cash flow from operations (as determined in accordance with generally accepted accounting principles). Furthermore, our measure of the following information may not be comparable to similarly titled measures of other companies.

Upon consummation of the share exchange with CCUK's shareholders, which increased our ownership interest in CCUK to 80%, we designated CCUK as an Unrestricted Subsidiary. In addition, we designated Crown Atlantic as an Unrestricted Subsidiary. Prior to these transactions, we did not have any Unrestricted Subsidiaries. Summarized financial information for (1) CCIC and our Restricted Subsidiaries; and (2) our Unrestricted Subsidiaries is as follows:

	December 31, 1999			
	Company and Restricted Subsidiaries	Unrestricted Subsidiaries	Consolidation Eliminations	Consolidated Total
	(In thousands of dollars)			
Cash and cash equivalents	$ 494,724	$ 54,604	$ --	$ 549,328
Other current assets	59,106	53,611	--	112,717
Property and equipment, net	1,350,610	1,117,491	--	2,468,101
Escrow deposit for acquisition	50,000	--	--	50,000
Investments in Unrestricted Subsidiaries	991,261	--	(991,261)	--
Goodwill and other intangible assets, net	132,553	463,594	--	596,147
Other assets, net	48,578	11,779	--	60,357
	$3,126,832	$1,701,079	$(991,261)	$3,836,650
Current liabilities	$ 49,905	$ 81,376	$ --	$ 131,281
Long-term debt	1,033,188	509,155	--	1,542,343
Other liabilities	3,069	63,995	--	67,064
Minority interests	--	55,292	--	55,292
Redeemable preferred stock	422,923	--	--	422,923
Stockholders' equity	1,617,747	991,261	(991,261)	1,617,747
	$3,126,832	$1,701,079	$(991,261)	$3,836,650

	Three Months Ended December 31, 1999			Year Ended December 31, 1999		
	Company and Restricted Subsidiaries	Unrestricted Subsidiaries	Consolidated Total	Company and Restricted Subsidiaries	Unrestricted Subsidiaries	Consolidated Total
	(In thousands of dollars)					
Net revenues	$ 40,694	$ 73,502	$114,196	$104,177	$241,582	$ 345,759
Costs of operations (exclusive of depreciation and amortization)	17,327	34,534	51,861	42,737	114,011	156,748
General and administrative	10,578	3,169	13,747	33,052	10,771	43,823
Corporate development	1,181	88	1,269	4,584	819	5,403
Restructuring charges	3,831	--	3,831	5,645	--	5,645
Non-cash compensation charges	340	161	501	1,404	769	2,173
Depreciation and amortization	16,251	24,486	40,737	42,354	87,752	130,106
Operating income (loss)	(8,814)	11,064	2,250	(25,599)	27,460	1,861
Interest and other income (expense)	4,339	590	4,929	9,934	7,797	17,731
Interest expense and amortization of deferred financing costs	(25,891)	(12,669)	(38,560)	(70,341)	(40,567)	(110,908)
Provision for income taxes	(7)	--	(7)	(275)	--	(275)
Minority interests	--	(1,569)	(1,569)	--	(2,756)	(2,756)
Cumulative effect of change in accounting principle for costs of start-up activities	--	--	--	(2,414)	--	(2,414)
Net loss	$(30,373)	$ (2,584)	$(32,957)	$(88,695)	$ (8,066)	$ (96,761)

Tower Cash Flow and Adjusted Consolidated Cash Flow for the Company and its Restricted Subsidiaries is as follows under (1) the indenture governing the 10 5/8% Discount Notes and the Certificate (the "1997 and

1998 Securities") and (2) the indentures governing the 10 3/8% Discount Notes, the 9% Notes, the 11 1/4% Discount Notes and the 9 1/2% Notes (the "1999 Securities"):

	1997 and 1998 Securities	1999 Securities
	(In thousands of dollars) (Unaudited)	
Tower Cash Flow, for the three months ended December 31, 1999	$ 12,339	$ 12,339
Consolidated Cash Flow, for the twelve months ended December 31, 1999	$ 23,804	$ 28,388
Less: Tower Cash Flow, for the twelve months ended December 31, 1999	(33,022)	(33,022)
Plus: four times Tower Cash Flow, for the three months ended December 31, 1999	49,356	49,356
Adjusted Consolidated Cash Flow, for the twelve months ended December 31, 1999	$ 40,138	$ 44,722

COMPENSATION CHARGES RELATED TO STOCK OPTION GRANTS

During the period from April 24, 1998 through July 15, 1998, we granted options to employees and executives for the purchase of 3,236,980 shares of our common stock at an exercise price of $7.50 per share. Of such options, options for 1,810,730 shares vested upon consummation of the IPO and the remaining options for 1,426,250 shares will vest at 20% per year over five years, beginning one year from the date of grant. In addition, we have assigned our right to repurchase shares of our common stock from a stockholder (at a price of $6.26 per share) to two individuals (including a newly-elected director) with respect to 100,000 of such shares. Since the granting of these options and the assignment of these rights to repurchase shares occurred subsequent to the date of the share exchange agreement with CCUK's shareholders and at prices substantially below the price to the public in the IPO, we have recorded a non-cash compensation charge related to these options and shares based upon the difference between the respective exercise and purchase prices and the price to the public in the IPO. Such compensation charge will total approximately $18.4 million, of which approximately $10.6 million was recognized upon consummation of the IPO (for such options and shares which vested upon consummation of the IPO), and the remaining $7.8 million is being recognized over five years (approximately $1.6 million per year) through the second quarter of 2003. An additional $1.6 million in non-cash compensation charges will be recognized through the third quarter of 2001 for stock options issued to certain members of CCUK's management prior to the consummation of the share exchange.

IMPACT OF RECENTLY ISSUED ACCOUNTING STANDARDS

In April 1998, the Accounting Standards Executive Committee of the American Institute of Certified Public Accountants issued Statement of Position 98-5, Reporting on the Costs of Start-Up Activities ("SOP 98-5"). SOP 98-5 requires that costs of start-up activities be charged to expense as incurred and broadly defines such costs. We have deferred certain costs incurred in connection with potential business initiatives and new geographic markets, and SOP 98-5 requires that such deferred costs be charged to results of operations upon its adoption. SOP 98-5 is effective for fiscal years beginning after December 15, 1998. We have adopted the requirements of SOP 98-5 as of January 1, 1999. The cumulative effect of the change in accounting principle for the adoption of SOP 98-5 resulted in a charge to results of operations for $2.4 million in our financial statements for the three months ended March 31, 1999.

In June 1998, the Financial Accounting Standards Board (the "FASB") issued Statement of Financial Accounting Standards No. 133, Accounting for Derivative Instruments and Hedging Activities ("SFAS 133"). SFAS 133 requires that derivative instruments be recognized as either assets or liabilities in the consolidated balance sheet based on their fair values. Changes in the fair values of such derivative instruments will be recorded either in results of operations or in other comprehensive income, depending on the intended use of the derivative instrument. The initial application of SFAS 133 will be reported as the effect of a change in accounting principle. SFAS 133, as amended, is effective for all fiscal quarters of fiscal years beginning after June 15, 2000. We will adopt the requirements of SFAS 133 in our financial statements for the three months

ending March 31, 2001. We have not yet determined the effect that the adoption of SFAS 133 will have on our consolidated financial statements.

YEAR 2000 COMPLIANCE

The year 2000 problem is the result of computer programs having been written using two digits (rather than four) to define the applicable year. Any of our computer programs that have date-sensitive software might have recognized a date using "00" as 1900 rather than the year 2000, or might not have recognized the date at all. This could have resulted in a system failure or miscalculations causing disruption of operations including, among other things, a temporary inability to process transactions, send invoices, or engage in similar normal business activities.

In 1997 we established a year 2000 project to ensure that the issue received appropriate priority and that necessary resources were made available. This project included the replacement of our worldwide business computer systems with systems that use programs primarily from J.D. Edwards, Inc. The new systems made approximately 90% of our business computer systems year 2000 compliant and are in production today. Remaining business software programs, including those supplied by vendors, were made year 2000 compliant through the year 2000 project or they were retired. None of our other information technology projects were delayed due to the implementation of the year 2000 project.

Our year 2000 project was divided into the following phases: (1) inventorying year 2000 items; (2) assigning priorities to identified items; (3) assessing the year 2000 compliance of items determined to be material to us; (4) repairing or replacing material items that are determined not to be year 2000 compliant; (5) testing material items; and (6) designing and implementing contingency and business continuation plans for each organization and company location. We completed all such phases prior to the end of 1999. All critical broadcast equipment and non-information technology related equipment was tested and was either year 2000 compliant or was designated as year 2000 ready. A year 2000 ready designation implies the equipment or system will function without adverse effects beyond year 2000 but may not be aware of the century. All critical information technology systems were designated year 2000 compliant or were retired or remediated by the end of 1999.

We expended approximately $7.6 million on the year 2000 project through December 31, 1999, of which approximately $6.8 million related to the implementation of the J.D. Edwards Systems and related hardware.

The failure to correct a material year 2000 problem could have resulted in an interruption in, or a failure of, certain normal business activities or operations. However, we believe that our efforts to ensure year 2000 compliance have been successful. To date, we have not suffered any significant year 2000 problems, but we continue to monitor our various computer systems.

ITEM 7A. QUALITATIVE AND QUANTITATIVE DISCLOSURES ABOUT MARKET RISK

As a result of our international operating, investing and financing activities, we are exposed to market risks, which include changes in foreign currency exchange rates and interest rates which may adversely affect our results of operations and financial position. In seeking to minimize the risks and/or costs associated with such activities, we manage exposure to changes in interest rates and foreign currency exchange rates.

Certain financial instruments used to obtain capital are subject to market risks from fluctuations in market rates. The majority of our financial instruments, however, are long-term fixed interest rate notes and debentures. Therefore, fluctuations in market interest rates of 1% in 2000 would not have a material effect on our consolidated financial results.

The majority of our foreign currency transactions are denominated in the British pound sterling, which is the functional currency of CCUK. As CCUK's transactions are denominated and settled in the functional currency, risks associated with currency fluctuations are minimized to foreign currency translation adjustments. We do not currently hedge against foreign currency translation risks and believe that foreign currency exchange risk is not significant to our operations.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

CROWN CASTLE INTERNATIONAL CORP. AND SUBSIDIARIES
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Stockholders of
Crown Castle International Corp.:

We have audited the accompanying consolidated balance sheets of Crown Castle International Corp. and subsidiaries as of December 31, 1998 and 1999, and the related consolidated statements of operations and comprehensive loss, cash flows and stockholders' equity (deficit) for each of the years in the three-year period ended December 31, 1999. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Crown Castle International Corp. and subsidiaries as of December 31, 1998 and 1999, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 1999, in conformity with generally accepted accounting principles.

KPMG LLP

Houston, Texas
February 22, 2000

CROWN CASTLE INTERNATIONAL CORP. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET
(IN THOUSANDS OF DOLLARS, EXCEPT SHARE AMOUNTS)

	December 31,	
	1998	1999
ASSETS		
Current assets:		
Cash and cash equivalents	$ 296,450	$ 549,328
Receivables:		
Trade, net of allowance for doubtful accounts of $1,535 and $3,218 at December 31, 1998 and 1999, respectively	32,130	74,290
Other	4,290	4,327
Inventories	6,599	19,178
Prepaid expenses and other current assets	2,647	14,922
Total current assets	342,116	662,045
Property and equipment, net	592,594	2,468,101
Escrow deposit for acquisition	--	50,000
Goodwill and other intangible assets, net of accumulated amortization of $20,419 and $53,437 at December 31, 1998 and 1999, respectively	569,740	596,147
Deferred financing costs and other assets, net of accumulated amortization of $1,722 and $4,245 at December 31, 1998 and 1999, respectively	18,780	60,357
	$1,523,230	$3,836,650
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 46,020	$ 45,998
Accrued interest	15,677	20,912
Accrued compensation and related benefits	5,188	4,005
Deferred rental revenues and other accrued liabilities	26,002	60,366
Total current liabilities	92,887	131,281
Long-term debt	429,710	1,542,343
Other liabilities	22,823	67,064
Total liabilities	545,420	1,740,688
Commitments and contingencies (Note 12)		
Minority interests	39,185	55,292
Redeemable preferred stock	201,063	422,923
Stockholders' equity:		
Common stock, $.01 par value; 690,000,000 shares authorized:		
Common Stock; shares issued: December 31, 1998 - 83,123,873 and December 31, 1999 - 146,074,905	831	1,461
Class A Common Stock; shares issued: 11,340,000	113	113
Additional paid-in capital	795,153	1,805,053
Cumulative foreign currency translation adjustment	1,690	(3,013)
Accumulated deficit	(60,225)	(185,867)
Total stockholders' equity	737,562	1,617,747
	$1,523,230	$3,836,650

See notes to consolidated financial statements.

CROWN CASTLE INTERNATIONAL CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF OPERATIONS AND COMPREHENSIVE LOSS
(IN THOUSANDS OF DOLLARS, EXCEPT PER SHARE AMOUNTS)

	Years Ended December 31,		
	1997	1998	1999
Net revenues:			
Site rental and broadcast transmission	$ 11,010	$ 75,028	$ 267,894
Network services and other	20,395	38,050	77,865
	31,405	113,078	345,759
Operating expenses:			
Costs of operations (exclusive of depreciation and amortization):			
Site rental and broadcast transmission	2,213	26,254	114,436
Network services and other	13,137	21,564	42,312
General and administrative	6,824	23,571	43,823
Corporate development	5,731	4,625	5,403
Restructuring charges	--	--	5,645
Non-cash compensation charges	--	12,758	2,173
Depreciation and amortization	6,952	37,239	130,106
	34,857	126,011	343,898
Operating income (loss)	(3,452)	(12,933)	1,861
Other income (expense):			
Equity in earnings (losses) of unconsolidated affiliate	(1,138)	2,055	--
Interest and other income (expense)	1,951	4,220	17,731
Interest expense and amortization of deferred financing costs	(9,254)	(29,089)	(110,908)
Loss before income taxes, minority interests and cumulative effect of change in accounting principle	(11,893)	(35,747)	(91,316)
Provision for income taxes	(49)	(374)	(275)
Minority interests	--	(1,654)	(2,756)
Loss before cumulative effect of change in accounting principle	(11,942)	(37,775)	(94,347)
Cumulative effect of change in accounting principle for costs of start-up activities	--	--	(2,414)
Net loss	(11,942)	(37,775)	(96,761)
Dividends on preferred stock	(2,199)	(5,411)	(28,881)
Net loss after deduction of dividends on preferred stock	$(14,141)	$(43,186)	$(125,642)
Net loss	$(11,942)	$(37,775)	$ (96,761)
Other comprehensive income:			
Foreign currency translation adjustments	562	1,128	(4,703)
Comprehensive loss	$(11,380)	$(36,647)	$(101,464)
Per common share - basic and diluted:			
Loss before cumulative effect of change in accounting principle	$(2.27)	$(1.02)	$(0.94)
Cumulative effect of change in accounting principle	--	--	(0.02)
Net loss	$(2.27)	$(1.02)	$(0.96)
Common shares outstanding - basic and diluted (in thousands)	6,238	42,518	131,466

See notes to consolidated financial statements.

CROWN CASTLE INTERNATIONAL CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
(IN THOUSANDS OF DOLLARS)

	Years Ended December 31,		
	1997	1998	1999
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	$ (11,942)	$ (37,775)	$ (96,761)
Adjustments to reconcile net loss to net cash provided by (used for) operating activities:			
Depreciation and amortization	6,952	37,239	130,106
Amortization of deferred financing costs and discounts on long-term debt	2,159	17,910	49,937
Minority interests	--	1,654	2,756
Cumulative effect of change in accounting principle	--	--	2,414
Non-cash compensation charges	--	12,758	2,173
Equity in losses (earnings) of unconsolidated affiliate	1,138	(2,055)	--
Changes in assets and liabilities, excluding the effects of acquisitions:			
Increase (decrease) in deferred rental revenues and other liabilities	(240)	5,847	75,277
Increase (decrease) in accrued interest	(396)	5,835	5,518
Increase in accounts payable	1,824	15,373	889
Decrease (increase) in receivables	1,353	(7,450)	(42,913)
Increase in inventories, prepaid expenses and other assets	(1,472)	(4,360)	(36,788)
Net cash provided by (used for) operating activities	(624)	44,976	92,608
CASH FLOWS FROM INVESTING ACTIVITIES:			
Acquisitions of businesses, net of cash acquired	(33,962)	(10,489)	(1,208,466)
Capital expenditures	(18,035)	(138,759)	(293,801)
Investments in affiliates	(59,487)	--	(6,879)
Net cash used for investing activities	(111,484)	(149,248)	(1,509,146)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issuance of capital stock	139,867	339,929	805,771
Proceeds from issuance of long-term debt	150,010	--	757,206
Net borrowings (payments) under revolving credit agreements	(6,223)	9,212	136,993
Incurrence of financing costs	(7,798)	(3,010)	(28,330)
Dividends on preferred stock	--	--	(1,238)
Purchase of capital stock	(2,132)	(883)	--
Principal payments on long-term debt	(113,881)	--	--
Net cash provided by financing activities	159,843	345,248	1,670,402
EFFECT OF EXCHANGE RATE CHANGES ON CASH	--	396	(986)
NET INCREASE IN CASH AND CASH EQUIVALENTS	47,735	241,372	252,878
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	7,343	55,078	296,450
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 55,078	$ 296,450	$ 549,328
SUPPLEMENTARY SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:			
Conversion of stockholder's Convertible Secured Subordinated Notes to Series A Convertible Preferred Stock	$ 3,657	$ --	$ --
Amounts recorded in connection with acquisitions (see Note 2):			
Fair value of net assets acquired, including goodwill and other intangible assets	197,235	431,453	1,750,506
Escrow deposit for acquisition	--	--	50,000
Issuance of common stock	57,189	420,964	397,710
Issuance of long-term debt	78,102	--	180,000
Minority interests	--	--	14,330
Assumption of long-term debt	27,982	--	--
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Interest paid	$ 7,533	$ 6,276	$ 54,514
Income taxes paid	26	446	301

See notes to consolidated financial staements.

CROWN CASTLE INTERNATIONAL CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY (DEFICIT)
(IN THOUSANDS OF DOLLARS, EXCEPT SHARE AMOUNTS)

	Class A Common Stock		Class B Common Stock		Common Stock	
	Shares	($.01 Par)	Shares	($.01 Par)	Shares	($.01 Par)
Balance, January 1, 1997	1,350,000	$ 3	1,488,330	$ 3	--	$ --
Issuances of capital stock	--	--	8,228,835	17	--	--
Purchase of capital stock	(308,435)	(1)	(350,000)	(1)	--	--
Foreign currency translation adjustments	--	--	--	--	--	--
Dividends on preferred stock	--	--	--	--	--	--
Net loss	--	--	--	--	--	--
Balance, December 31, 1997	1,041,565	2	9,367,165	19	--	--
Conversion of preferred stock to Common Stock	--	--	--	--	38,517,865	385
Conversion of Class A Common Stock and Class B Common Stock to Common Stock	(1,041,565)	(2)	(9,367,165)	(19)	10,953,625	109
Issuances of capital stock	--	--	--	--	33,793,453	338
Purchase of capital stock	--	--	--	--	(141,070)	(1)
Non-cash compensation charges	--	--	--	--	--	--
Foreign currency translation adjustments	--	--	--	--	--	--
Dividends on preferred stock	--	--	--	--	--	--
Net loss	--	--	--	--	--	--
Balance, December 31, 1998	--	--	--	--	83,123,873	831
Issuances of capital stock and warrants	--	--	--	--	62,951,032	630
Non-cash compensation charges	--	--	--	--	--	--
Foreign currency translation adjustments	--	--	--	--	--	--
Dividends on preferred stock	--	--	--	--	--	--
Net loss	--	--	--	--	--	--
Balance, December 31, 1999	--	$ --	--	$ --	146,074,905	$1,461

	Class A Common Stock		Additional Paid-In	Cumulative Foreign Currency Translation	Accumulated	
	Shares	($.01 Par)	Capital	Adjustment	Deficit	Total
Balance, January 1, 1997	--	$ --	$ 762	$ --	$ (978)	$ (210)
Issuances of capital stock	--	--	57,696	--	--	57,713
Purchase of capital stock	--	--	(210)	--	(1,920)	(2,132)
Foreign currency translation adjustments	--	--	--	562	--	562
Dividends on preferred stock	--	--	--	--	(2,199)	(2,199)
Net loss	--	--	--	--	(11,942)	(11,942)
Balance, December 31, 1997	--	--	58,248	562	(17,039)	41,792
Conversion of preferred stock to Common Stock	--	--	164,712	--	--	165,097
Conversion of Class A Common Stock and Class B Common Stock to Common Stock	--	--	(88)	--	--	--
Issuances of capital stock	11,340,000	113	560,779	--	--	561,230
Purchase of capital stock	--	--	(882)	--	--	(883)
Non-cash compensation charges	--	--	12,384	--	--	12,384
Foreign currency translation adjustments	--	--	--	1,128	--	1,128
Dividends on preferred stock	--	--	--	--	(5,411)	(5,411)
Net loss	--	--	--	--	(37,775)	(37,775)
Balance, December 31, 1998	11,340,000	113	795,153	1,690	(60,225)	737,562
Issuances of capital stock and warrants	--	--	1,007,947	--	--	1,008,577
Non-cash compensation charges	--	--	1,953	--	--	1,953
Foreign currency translation adjustments	--	--	--	(4,703)	--	(4,703)
Dividends on preferred stock	--	--	--	--	(28,881)	(28,881)
Net loss	--	--	--	--	(96,761)	(96,761)
Balance, December 31, 1999	11,340,000	$113	$1,805,053	$(3,013)	$(185,867)	$1,617,747

See notes to consolidated financial statements.

1. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The consolidated financial statements include the accounts of Crown Castle International Corp. ("CCIC") and its majority and wholly owned subsidiaries, collectively referred to herein as the "Company". All significant intercompany balances and transactions have been eliminated in consolidation. Certain reclassifications have been made to the prior year's financial statements to be consistent with the presentation in the current year.

The Company owns, operates and manages wireless communications sites and broadcast transmission networks. The Company also provides complementary services to its customers, including network design, radio frequency engineering, site acquisition, site development and construction, antenna installation and network management and maintenance. The Company's communications sites are located throughout the United States, in Puerto Rico and in the United Kingdom. In the United States and Puerto Rico, the Company's primary business is the leasing of antenna space to wireless operators under long-term contracts. In the United Kingdom, the Company's primary businesses are the operation of television and radio broadcast transmission networks and the leasing of antenna space to wireless operators in the United Kingdom.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash Equivalents

Cash equivalents consist of highly liquid investments with original maturities of three months or less.

Inventories

Inventories are stated at the lower of cost or market. Cost is determined using the first-in, first-out (FIFO) method.

Property and Equipment

Property and equipment is stated at cost, net of accumulated depreciation. Depreciation is computed utilizing the straight-line method at rates based upon the estimated useful lives of the various classes of assets. Additions, renewals and improvements are capitalized, while maintenance and repairs are expensed. Upon the sale or retirement of an asset, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is recognized. The carrying value of property and equipment and other long-lived assets will be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. If the sum of the estimated future cash flows (undiscounted) expected to result from the use and eventual disposition of an asset is less than the carrying amount of the asset, an impairment loss is recognized. Measurement of an impairment loss is based on the fair value of the asset.

Goodwill and Other Intangible Assets

Goodwill and other intangible assets represents the excess of the purchase price for an acquired business over the allocated value of the related net assets (see Note 2). Goodwill is amortized on a straight-line basis

over a 20 year life. Other intangible assets (principally the value of existing site rental contracts at Crown Communications) are amortized on a straight-line basis over a 10 year life. The carrying value of goodwill and other intangible assets will be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the acquired assets may not be recoverable. If the sum of the estimated future cash flows (undiscounted) expected to result from the use and eventual disposition of an asset is less than the carrying amount of the asset, an impairment loss is recognized. Measurement of an impairment loss is based on the fair value of the asset.

Deferred Financing Costs

Costs incurred to obtain financing are deferred and amortized over the estimated term of the related borrowing.

Revenue Recognition

Site rental revenues are recognized on a monthly basis under lease or management agreements with terms ranging from 12 months to 25 years. Broadcast transmission revenues are recognized on a monthly basis under transmission contracts with terms ranging from 8 years to 12 years.

Network services revenues from site development, construction and antennae installation activities are recognized under a method which approximates the completed contract method. This method is used because these services are typically completed in three months or less and financial position and results of operations do not vary significantly from those which would result from use of the percentage-of-completion method. These services are considered complete when the terms and conditions of the contract or agreement have been substantially completed. Costs and revenues associated with installations not complete at the end of a period are deferred and recognized when the installation becomes operational. Any losses on contracts are recognized at such time as they become known.

Network services revenues from design, engineering, site acquisition, and network management and maintenance activities are recognized under service contracts with customers which provide for billings on a time and materials, cost plus profit, or fixed price basis. Such contracts typically have terms from six months to two years. Revenues are recognized as services are performed with respect to the time and materials contracts. Revenues are recognized using the percentage-of-completion method for cost plus profit and fixed price contracts, measured by the percentage of contract costs incurred to date compared to estimated total contract costs. Provisions for estimated losses on uncompleted contracts are made in the period in which such losses are determined.

Corporate Development Expenses

Corporate development expenses represent costs incurred in connection with acquisitions and development of new business initiatives.

Income Taxes

The Company accounts for income taxes using an asset and liability approach, which requires the recognition of deferred income tax assets and liabilities for the expected future tax consequences of events that have been recognized in the Company's financial statements or tax returns. Deferred income tax assets and liabilities are determined based on the temporary differences between the financial statement and tax bases of assets and liabilities using enacted tax rates.

Per Share Information

Per share information is based on the weighted-average number of common shares outstanding during each period for the basic computation and, if dilutive, the weighted-average number of potential common shares resulting from the assumed conversion of outstanding stock options, warrants and convertible preferred stock for the diluted computation.

A reconciliation of the numerators and denominators of the basic and diluted per share computations is as follows:

	Years Ended December 31,		
	1997	1998	1999
	(In thousands of dollars, except per share amounts)		
Loss before cumulative effect of change in accounting principle.	$(11,942)	$(37,775)	$ (94,347)
Dividends on preferred stock	(2,199)	(5,411)	(28,881)
Loss before cumulative effect of change in accounting principle applicable to common stock for basic and diluted computations	(14,141)	(43,186)	(123,228)
Cumulative effect of change in accounting principle	--	--	(2,414)
Net loss applicable to common stock for basic and diluted computations	$(14,141)	$(43,186)	$(125,642)
Weighted-average number of common shares outstanding during the period for basic and diluted computations (in thousands)	6,238	42,518	131,466
Per common share - basic and diluted:			
Loss before cumulative effect of change in accounting principle	$ (2.27)	$ (1.02)	$ (0.94)
Cumulative effect of change in accounting principle	--	--	(0.02)
Net loss	$ (2.27)	$ (1.02)	$ (0.96)

The calculations of common shares outstanding for the diluted computations exclude the following potential common shares as of December 31, 1999: (1) options to purchase 19,226,076 shares of common stock at exercise prices ranging from $-0- to $25.62 per share; (2) warrants to purchase 1,194,990 shares of common stock at an exercise price of $7.50 per share; (3) warrants to purchase 1,000,000 shares of common stock at an exercise price of $26.875 per share; (4) shares of Crown Castle UK Holdings Limited ("CCUK", formerly Castle Transmission Services (Holdings) Ltd) stock which are convertible into 17,443,500 shares of common stock; and (5) shares of the Company's 8 1/4% Cumulative Convertible Redeemable Preferred Stock (see Note 8) which are convertible into 7,441,860 shares of common stock. The inclusion of such potential common shares in the diluted per share computations would be antidilutive since the Company incurred net losses for each of the three years in the period ended December 31, 1999.

Foreign Currency Translation

CCUK uses the British pound sterling as the functional currency for its operations. The Company translates CCUK's results of operations using the average exchange rate for the period, and translates CCUK's assets and liabilities using the exchange rate at the end of the period. The cumulative effect of changes in the exchange rate is recorded as a translation adjustment in stockholders' equity.

Financial Instruments

The carrying amount of cash and cash equivalents approximates fair value for these instruments. The estimated fair value of the Company's public debt securities is based on quoted market prices, and the estimated fair value of the other long-term debt is determined based on the current rates offered for similar borrowings. The estimated fair value of the interest rate swap agreement is based on the amount that the Company would receive or pay to terminate the agreement at the balance sheet date. The estimated fair values of the Company's financial instruments, along with the carrying amounts of the related assets (liabilities), are as follows:

	December 31, 1998		December 31, 1999	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	(In thousands of dollars)			
Cash and cash equivalents.....	$ 296,450	$ 296,450	$ 549,328	$ 549,328
Long-term debt.....	(429,710)	(443,379)	(1,542,343)	(1,542,500)
Interest rate swap agreement..	--	(47)	--	5,415

The Company's interest rate swap agreement is used to manage interest rate risk. The net settlement amount resulting from this agreement is recognized as an adjustment to interest expense. The Company does not currently hold or issue derivative financial instruments for trading purposes.

Stock Options

In October 1995, the Financial Accounting Standards Board (the "FASB") issued Statement of Financial Accounting Standards No. 123, Accounting for Stock-Based Compensation ("SFAS 123"). SFAS 123 establishes alternative methods of accounting and disclosure for employee stock-based compensation arrangements. The Company has elected to continue the use of the "intrinsic value based method" of accounting for its employee stock option plans (see Note 9). This method does not result in the recognition of compensation expense when employee stock options are granted if the exercise price of the options equals or exceeds the fair market value of the stock at the date of grant. See Note 9 for the disclosures required by SFAS 123.

Recent Accounting Pronouncements

In June 1997, the FASB issued Statement of Financial Accounting Standards No. 130, Reporting Comprehensive Income ("SFAS 130"). SFAS 130 establishes standards for the reporting and display of comprehensive income in a company's financial statements. Comprehensive income includes all changes in a company's equity accounts (including net income or loss) except investments by, or distributions to, the company's owners. Items which are components of comprehensive income (other than net income or loss) include foreign currency translation adjustments, minimum pension liability adjustments and unrealized gains and losses on certain investments in debt and equity securities. The components of comprehensive income must be reported in a financial statement that is displayed with the same prominence as other financial statements. SFAS 130 is effective for fiscal years beginning after December 15, 1997. The Company has adopted the requirements of SFAS 130 in its financial statements for 1998.

In June 1997, the FASB issued Statement of Financial Accounting Standards No. 131, Disclosures about Segments of an Enterprise and Related Information ("SFAS 131"). SFAS 131 establishes standards for the way that public companies report, in their annual financial statements, certain information about their operating segments, their products and services, the geographic areas in which they operate and their major customers. SFAS 131 also requires that certain information about operating segments be reported in interim financial statements. SFAS 131 is effective for periods beginning after December 15, 1997. The Company has adopted the requirements of SFAS 131 in its financial statements for the year ended December 31, 1998 (see Note 13).

In April 1998, the Accounting Standards Executive Committee of the American Institute of Certified Public Accountants issued Statement of Position 98-5, Reporting on the Costs of Start-Up Activities ("SOP 98-5"). SOP 98-5 requires that costs of start-up activities be charged to expense as incurred and broadly defines such costs. The Company has deferred certain costs incurred in connection with potential business initiatives and new geographic markets, and SOP 98-5 requires that such deferred costs be charged to results of operations upon its adoption. SOP 98-5 is effective for fiscal years beginning after December 15, 1998. The Company has adopted the requirements of SOP 98-5 as of January 1, 1999. The cumulative effect of the change in accounting principle for the adoption of SOP 98-5 resulted in a charge to results of operations for $2,414,000 in the Company's financial statements for the year ended December 31, 1999.

In June 1998, the FASB issued Statement of Financial Accounting Standards No. 133, Accounting for Derivative Instruments and Hedging Activities ("SFAS 133"). SFAS 133 requires that derivative instruments be recognized as either assets or liabilities in the consolidated balance sheet based on their fair values. Changes in the fair values of such derivative instruments will be recorded either in results of operations or in other comprehensive income, depending on the intended use of the derivative instrument. The initial application of SFAS 133 will be reported as the effect of a change in accounting principle. SFAS 133, as amended, is effective for all fiscal quarters of fiscal years beginning after June 15, 2000. The Company will adopt the requirements of SFAS 133 in its financial statements for the year ending December 31, 2001. The Company has not yet determined the effect that the adoption of SFAS 133 will have on its consolidated financial statements.

2. ACQUISITIONS

During the three years in the period ended December 31, 1999, the Company consummated a number of business and asset acquisitions which were accounted for using the purchase method. Results of operations and cash flows of the acquired businesses are included in the consolidated financial statements for the periods subsequent to the respective dates of acquisition.

TEA Group Incorporated and TeleStructures, Inc. (collectively, "TEA")

On May 12, 1997, the Company acquired all of the common stock of TEA. TEA provides telecommunications site selection, acquisition, design and development services. The purchase price of $14,215,000 consisted of $8,120,000 in cash (of which $2,001,000 was paid in 1996 as an option payment), promissory notes payable to the former stockholders of TEA totaling $1,872,000, the assumption of $1,973,000 in outstanding debt and 535,710 shares of the Company's Class B Common Stock valued at $2,250,000 (the estimated fair value of such common stock on that date). The Company recognized goodwill of $9,568,000 in connection with this acquisition. The Company repaid the promissory notes with a portion of the proceeds from the issuance of its 10 5/8% Senior Discount Notes (see Note 5).

Crown Communications ("CCM"), Crown Network Systems, Inc. ("CNS") and Crown Mobile Systems, Inc. ("CMS") (collectively, "Crown")

On July 11, 1997, the Company entered into an asset purchase and merger agreement with the owners of Crown. On August 15, 1997, such agreement was amended and restated, and the Company acquired (1) substantially all of the assets, net of outstanding liabilities, of CCM; and (2) all of the outstanding common stock of CNS and CMS. Crown provides network services, which includes site selection and acquisition, antenna installation, site development and construction, network design and site maintenance, and owns and operates telecommunications towers and related assets. The purchase price of $185,021,000 consisted of $27,843,000 in cash, a short-term promissory note payable to the former owners of Crown for $76,230,000, the assumption of $26,009,000 in outstanding debt and 7,325,000 shares of the Company's Class B Common Stock valued at $54,939,000 (the estimated fair value of such common stock on that date). The Company recognized goodwill

and other intangible assets of $146,103,000 in connection with this acquisition. The Company financed the cash portion of the purchase price with proceeds from the issuance of redeemable preferred stock (see Note 8), and repaid the promissory note with proceeds from the issuance of additional redeemable preferred stock and borrowings under the Senior Credit Facility (see Note 5).

In 1997, the Company organized Crown Communication Inc. ("CCI", a Delaware corporation) as a wholly owned subsidiary to own the net assets acquired from CCM and the common stock of CNS and CMS. In January 1998, the Company merged Castle Tower Corporation ("CTC", a wholly owned operating subsidiary) with and into CCI.

CCUK

On April 24, 1998, the Company entered into a share exchange agreement with certain shareholders of CCUK pursuant to which certain of CCUK's shareholders agreed to exchange their shares of CCUK for shares of the Company. On August 18, 1998, the exchange was consummated and the Company's ownership of CCUK increased from approximately 34.3% to 80%. The Company issued 20,867,700 shares of its Common Stock and 11,340,000 shares of its Class A Common Stock, with such shares valued at an aggregate of $418,700,000 (based on the price per share to the public in the Company's initial public offering as discussed in Note 9). The Company recognized goodwill of $344,375,000 in connection with this transaction, which was accounted for as an acquisition using the purchase method. CCUK's results of operations and cash flows are included in the consolidated financial statements for the period subsequent to the date the exchange was consummated.

Agreement with Bell Atlantic Mobile ("BAM")

On December 8, 1998, the Company entered into an agreement with Bell Atlantic Mobile to form a joint venture ("Crown Atlantic") to own and operate a significant majority of BAM's towers. Upon formation of Crown Atlantic on March 31, 1999, (1) the Company contributed to Crown Atlantic $250,000,000 in cash and 15,597,783 shares of its Common Stock in exchange for a 61.5% ownership interest in Crown Atlantic; (2) Crown Atlantic borrowed $180,000,000 under a committed $250,000,000 revolving credit facility (see Note 5); and (3) BAM contributed to Crown Atlantic approximately 1,458 towers in exchange for a cash distribution of $380,000,000 from Crown Atlantic and a 38.5% ownership interest in Crown Atlantic. Upon dissolution of Crown Atlantic, BAM will receive (1) the shares of the Company's Common Stock contributed to Crown Atlantic and (2) a payment (either in cash or in shares of the Company's Common Stock, at the Company's election) equal to approximately 15.6% of the fair market value of Crown Atlantic's other net assets; the Company would then receive the remaining assets and liabilities of Crown Atlantic. The Company has accounted for its investment in Crown Atlantic as an acquisition using the purchase method, and has included Crown Atlantic's results of operations and cash flows in the Company's consolidated financial statements for periods subsequent to formation. The Company recognized goodwill of approximately $64,163,000 in connection with this acquisition.

BellSouth Mobility Inc. and BellSouth Telecommunications Inc. ("BellSouth")

In March 1999, the Company entered into an agreement with BellSouth to acquire the operating rights for approximately 1,850 of their towers. The legal form of the transaction is a lease arrangement and will be treated by BellSouth as a sale of the towers for tax purposes. The Company will pay BellSouth total consideration of $610,000,000, consisting of $430,000,000 in cash and $180,000,000 in shares of its common stock. As of December 31, 1999, the Company has closed on 1,574 of the towers and has paid $370,151,000 in cash and issued 7,728,787 shares of its common stock. The Company is accounting for this transaction as a purchase of tower assets.

Powertel, Inc. ("Powertel")

In March 1999, the Company entered into an agreement with Powertel to purchase 650 of their towers and related assets. The total purchase price for these towers was $275,000,000 in cash, all of which has been paid as of December 31, 1999. The Company has accounted for this transaction as an acquisition using the purchase method.

Pro Forma Results of Operations (Unaudited)

The following unaudited pro forma summary presents consolidated results of operations for the Company as if (1) the share exchange with CCUK's shareholders had been consummated as of January 1, 1998; and (2) the Crown Atlantic, BellSouth and Powertel acquisitions, along with the related financing transactions, had been consummated as of January 1 for both 1998 and 1999. Appropriate adjustments have been reflected for depreciation and amortization, interest expense, amortization of deferred financing costs and minority interests. The pro forma information does not necessarily reflect the actual results that would have been achieved, nor is it necessarily indicative of future consolidated results for the Company.

	Years Ended December 31,	
	1998	1999
	(In thousands of dollars, except per share amounts)	
Net revenues	$ 301,978	$ 386,999
Net loss	(153,192)	(144,246)
Net loss per common share - basic and diluted	(1.25)	(1.19)

Agreement with Nextel Communications, Inc. ("Nextel")

On July 11, 1997, the Company entered into an agreement with Nextel (the "Nextel Agreement") whereby the Company had the option to purchase up to 50 of Nextel's existing towers which are located in Texas, Florida and the metropolitan areas of Denver, Colorado and Philadelphia, Pennsylvania. As of December 31, 1999, the Company had purchased all 50 of such towers for an aggregate price of $15,083,000 in cash.

Millennium Communications Limited ("Millennium")

On October 8, 1998, the Company acquired all of the outstanding shares of Millennium. Millennium develops, owns and operates telecommunications towers and related assets in the United Kingdom. On the date of acquisition, Millennium owned 102 tower sites. Millennium is being operated as a subsidiary of CCUK. The purchase price of $14,473,000 consisted of $9,813,000 in cash, the repayment of $2,396,000 in outstanding debt and 358,678 shares of the Company's common stock valued at $2,264,000 (the market value of such common stock on that date).

BellSouth DCS

In July 1999, the Company entered into an agreement with certain affiliates of BellSouth ("BellSouth DCS") to acquire the operating rights for approximately 773 of their towers. The legal form of the transaction is a lease arrangement and will be treated by BellSouth as a sale of the towers for tax purposes. The Company will pay BellSouth DCS total consideration of $316,930,000 in cash. As of December 31, 1999, the Company has closed on 648 of these towers and has paid $266,857,000 in cash. The Company is accounting for this transaction as a purchase of tower assets.

Agreement With GTE Corporation ("GTE")

On November 7, 1999, the Company entered into an agreement with GTE to form a joint venture ("Crown Castle GT") to own and operate a significant majority of GTE's towers. Upon formation of Crown Castle GT (which will occur in multiple closings during 2000), (1) the Company will contribute approximately $825,000,000 (of which up to $100,000,000 can be in shares of its common stock, with the balance in cash) in

exchange for a majority ownership interest in Crown Castle GT, and (2) GTE will contribute approximately 2,300 towers in exchange for a cash distribution of approximately $800,000,000 (less any amount contributed in the form of the Company's common stock) from Crown Castle GT and a minority ownership interest in Crown Castle GT. Upon dissolution of Crown Castle GT, GTE would receive (1) any shares of the Company's common stock contributed to Crown Castle GT and (2) a payment equal to approximately 11.4% of the fair market value of Crown Castle GT's other net assets; the Company would then receive the remaining assets and liabilities of Crown Castle GT. The Company will account for its investment in Crown Castle GT as a purchase of tower assets, and will include Crown Castle GT's results of operations and cash flows in the Company's consolidated financial statements for periods subsequent to formation. Upon entering into this agreement, the Company placed $50,000,000 into an escrow account; such funds would be forfeited if the Company failed to close this transaction because it was unable to obtain adequate financing. See Note 16.

3. PROPERTY AND EQUIPMENT

The major classes of property and equipment are as follows:

	Estimated Useful Lives	December 31, 1998	December 31, 1999
		(In thousands of dollars)	
Land and buildings	0-50 years	$ 58,767	$ 89,683
Telecommunications towers and broadcast transmission equipment	5-20 years	532,907	2,458,741
Transportation and other equipment	3-10 years	11,452	20,231
Office furniture and equipment	3-7 years	12,248	18,919
		615,374	2,587,574
Less: accumulated depreciation		(22,780)	(119,473)
		$592,594	$2,468,101

Depreciation expense for the years ended December 31, 1997, 1998 and 1999 was $2,886,000, $20,638,000 and $96,556,000, respectively. Accumulated depreciation on telecommunications towers and broadcast transmission equipment was $19,583,000 and $110,366,000 at December 31, 1998 and 1999, respectively. At December 31, 1999, minimum rentals receivable under existing operating leases for towers are as follows: years ending December 31, 2000 - $352,640,000; 2001 -$342,473,000; 2002 - $337,536,000; 2003 - $324,963,000; 2004 - $315,142,000; thereafter - $1,118,557,000.

4. INVESTMENT IN AFFILIATE

On February 28, 1997, the Company used a portion of the net proceeds from the sale of the Series C Convertible Preferred Stock (see Note 8) to purchase an ownership interest of approximately 34.3% in CCUK (a company incorporated under the laws of England and Wales). The Company led a consortium of investors which provided the equity financing for CCUK. The funds invested by the consortium were used by CCUK to purchase, through a wholly owned subsidiary, the domestic broadcast transmission division of the British Broadcasting Corporation (the "BBC"). The cost of the Company's investment in CCUK amounted to approximately $57,542,000. The Company accounted for its investment in CCUK utilizing the equity method of accounting prior to the consummation of the share exchange agreement with CCUK's shareholders in August 1998 (see Note 2).

In March 1997, as compensation for leading the investment consortium, the Company received a fee from CCUK amounting to approximately $1,165,000. This fee was recorded as other income by the Company when

received. In addition, the Company received approximately $1,679,000 from CCUK as reimbursement for costs incurred prior to the closing of the purchase from the BBC.

In June 1997, as compensation for the successful completion of the investment in CCUK and certain other acquisitions and investments, the Company paid bonuses to two of its executive officers totaling $913,000. These bonuses are included in corporate development expenses on the Company's consolidated statement of operations.

Summarized financial information for CCUK is as follows (for periods in which the Company accounted for CCUK utilizing the equity method):

	Ten Months Ended December 31, 1997	Eight Months Ended August 31, 1998
	(In thousands of dollars)	
Net revenues	$103,531	$ 97,228
Operating expenses	86,999	78,605
Operating income	16,532	18,623
Interest and other income	553	725
Interest expense and amortization of deferred financing costs	(20,404)	(13,378)
Provision for income taxes	--	--
Net income (loss)	$ (3,319)	$ 5,970

5. LONG-TERM DEBT

Long-term debt consists of the following:

	December 31,	
	1998	1999
	(In thousands of dollars)	
Senior Credit Facility	$ 5,500	$ 63,000
CCUK Credit Facility	55,177	133,456
Crown Atlantic Credit Facility	--	180,000
9% Guaranteed Bonds due 2007	200,934	195,699
10 5/8% Senior Discount Notes due 2007, net of discount	168,099	186,434
10 3/8% Senior Discount Notes due 2011, net of discount	--	321,284
9% Senior Notes due 2011	--	180,000
11 1/4% Senior Discount Notes due 2011, net of discount	--	157,470
9 1/2% Senior Notes due 2011	--	125,000
	$429,710	$1,542,343

Senior Credit Facility

CCI has a credit agreement with a syndicate of banks (as amended, the "Senior Credit Facility") which consists of a $100,000,000 secured revolving line of credit (see Note 16). Available borrowings under the Senior Credit Facility are generally to be used to construct new towers and to finance a portion of the purchase price for towers and related assets of CCI and its subsidiaries. The amount of available borrowings is determined based on the current financial performance (as defined) of CCI's assets. In addition, up to $5,000,000 of borrowing availability under the Senior Credit Facility can be used for letters of credit.

On October 31, 1997, additional borrowings under the Senior Credit Facility, along with the proceeds from the October issuance of Senior Preferred Stock (see Note 8), were used to repay (1) the promissory note payable

to the former stockholders of Crown; and (2) the outstanding borrowings under Crown's bank credit agreement (see Note 2). In November 1997, the Company repaid all of the outstanding borrowings under the Senior Credit Facility with a portion of the proceeds from the issuance of its 10 5/8% Senior Discount Notes (as discussed below). Upon the merger of CTC into CCI in January 1998, CCI became the primary borrower under the Senior Credit Facility. In December 1998, the Company again repaid all of the outstanding borrowings under the Senior Credit Facility with a portion of the proceeds from the issuance of its 12 3/4% Senior Exchangeable Preferred Stock (see Note 8). As of December 31, 1999, approximately $19,250,000 of borrowings was available under the Senior Credit Facility, of which $5,000,000 was available for letters of credit. There were no letters of credit outstanding as of December 31, 1999.

The amount of available borrowings under the Senior Credit Facility will decrease by $5,000,000 at the end of each calendar quarter beginning on March 31, 2001 until December 31, 2004, at which time any remaining borrowings must be repaid. Under certain circumstances, CCI may be required to make principal prepayments under the Senior Credit Facility in an amount equal to 50% of excess cash flow (as defined), the net cash proceeds from certain asset sales or the net cash proceeds from certain sales of equity or debt securities by the Company.

The Senior Credit Facility is secured by substantially all of the assets of CCI and the Company's pledge of the capital stock of CCI and its subsidiaries. In addition, the Senior Credit Facility is guaranteed by the Company. Borrowings under the Senior Credit Facility bear interest at a rate per annum, at the Company's election, equal to the bank's prime rate plus 1.5% or a Eurodollar interbank offered rate (LIBOR) plus 3.25% (10.00% and 9.43%, respectively, at December 31, 1999). The interest rate margins may be reduced by up to 2.25% (non-cumulatively) based on a financial test, determined quarterly. As of December 31, 1999, the financial test permitted a reduction of 1.125% in the interest rate margin for prime rate borrowings and 1.625% in the interest rate margin for LIBOR borrowings. Interest on prime rate loans is due quarterly, while interest on LIBOR loans is due at the end of the period (from one to three months) for which such LIBOR rate is in effect. The Senior Credit Facility requires CCI to maintain certain financial covenants and places restrictions on CCI's ability to, among other things, incur debt and liens, pay dividends, make capital expenditures, dispose of assets, undertake transactions with affiliates and make investments.

CCUK Credit Facility

CCUK has a credit agreement with a syndicate of banks (as amended, the "CCUK Credit Facility"). In June 1999, the CCUK Credit Facility was amended to (1) increase the available borrowings to (Pounds)150,000,000 (approximately $242,250,000) and (2) extend the maturity date to June 2006. The amended facility comprises (1) a seven year (Pounds)100,000,000 (approximately $161,500,000) revolving loan facility which converts into a term loan facility on the third anniversary of the amendment date and (2) a seven year (Pounds)50,000,000 (approximately $80,750,000) revolving loan facility. Available borrowings under the CCUK Credit Facility are generally to be used to finance capital expenditures and for working capital and general corporate purposes. As of December 31, 1999, unused borrowing availability under the CCUK Credit Facility amounted to approximately (Pounds)65,000,000 (approximately $104,975,000).

In June 2002, the amount drawn under the (Pounds)100,000,000 revolving loan facility is converted into a term loan facility and is amortized in equal semi-annual installments on June 30 and December 31 of each year, with the final installment being due in June 2006. The (Pounds)50,000,000 revolving loan facility expires in June 2006. Under certain circumstances, CCUK may be required to make principal prepayments from the proceeds of certain asset sales.

The CCUK Credit Facility is secured by substantially all of CCUK's assets. Borrowings under the CCUK Credit Facility bear interest at a rate per annum equal to a Eurodollar interbank offered rate (LIBOR) plus 1.5% (approximately 7.08% at December 31, 1999). The interest rate margin may be reduced by up to 0.875% (non-cumulatively) based on a financial test. Interest is due at the end of the period (from one to six months) for which such LIBOR rate is in effect. The CCUK Credit Facility requires CCUK to maintain certain financial covenants and places restrictions on CCUK's ability to, among other things, incur debt and liens, pay dividends, make capital expenditures, dispose of assets, undertake transactions with affiliates and make investments.

Crown Atlantic Credit Facility

Crown Atlantic has a credit agreement with a syndicate of banks (the "Crown Atlantic Credit Facility") which consists of a $250,000,000 secured revolving line of credit. Available borrowings under the Crown Atlantic Credit Facility are generally to be used to construct new towers and to finance a portion of the purchase price for towers and related assets of Crown Atlantic. The amount of available borrowings is determined based on the current financial performance (as defined) of Crown Atlantic's assets. In addition, up to $25,000,000 of borrowing availability under the Crown Atlantic Credit Facility can be used for letters of credit.

On March 31, 1999, Crown Atlantic borrowed $180,000,000 under the Crown Atlantic Credit Facility to fund a portion of the cash payment to BAM (see Note 2). As of December 31, 1999, approximately $70,000,000 of borrowings was available under the Crown Atlantic Credit Facility, of which $25,000,000 was available for letters of credit. There were no letters of credit outstanding as of December 31, 1999.

The amount of available borrowings under the Crown Atlantic Credit Facility will decrease by a stated amount at the end of each calendar quarter beginning on September 30, 2001 until March 31, 2006, at which time any remaining borrowings must be repaid. Under certain circumstances, Crown Atlantic may be required to make principal prepayments under the Crown Atlantic Credit Facility in an amount equal to 50% of excess cash flow (as defined), the net cash proceeds from certain asset sales or the net cash proceeds from certain sales of equity or debt securities.

The Crown Atlantic Credit Facility is secured by a pledge of the membership interest in Crown Atlantic and a security interest in Crown Atlantic's tenant leases. Borrowings under the Crown Atlantic Credit Facility bear interest at a rate per annum, at Crown Atlantic's election, equal to the bank's prime rate plus 1.25% or a Eurodollar interbank offered rate (LIBOR) plus 2.75% (9.75% and 8.93%, respectively, at December 31, 1999). The interest rate margins may be reduced by up to 1.75% (non-cumulatively) based on a financial test, determined quarterly. As of December 31, 1999, the financial test permitted no reduction in the interest rate margin for prime rate borrowings or LIBOR borrowings. Interest on prime rate loans is due quarterly, while interest on LIBOR loans is due at the end of the period (from one to three months) for which such LIBOR rate is in effect. The Crown Atlantic Credit Facility requires Crown Atlantic to maintain certain financial covenants and places restrictions on Crown Atlantic's ability to, among other things, incur debt and liens, pay dividends, make capital expenditures, dispose of assets, undertake transactions with affiliates and make investments.

9% Guaranteed Bonds due 2007 ("CCUK Bonds")

CCUK has issued (Pounds)125,000,000 (approximately $201,875,000) aggregate principal amount of the CCUK Bonds. Interest payments on the CCUK Bonds are due annually on each March 30. The maturity date of the CCUK Bonds is March 30, 2007. The CCUK Bonds are stated net of unamortized discount.

The CCUK Bonds are redeemable, at the option of CCUK, in whole or in part at any time, at the greater of their principal amount and such a price as will provide a gross redemption yield 0.5% per annum above the gross redemption yield on the benchmark gilt plus, in either case, accrued and unpaid interest. Under certain

circumstances, each holder of the CCUK Bonds has the right to require CCUK to repurchase all or a portion of such holder's CCUK Bonds at a price equal to 101% of their aggregate principal amount plus accrued and unpaid interest.

The CCUK Bonds are guaranteed by CCUK; however, they are unsecured and effectively subordinate to the outstanding borrowings under the CCUK Credit Facility. The trust deed governing the CCUK Bonds places restrictions on CCUK's ability to, among other things, pay dividends and make capital distributions, make investments, incur additional debt and liens, dispose of assets and undertake transactions with affiliates.

10 5/8% Senior Discount Notes due 2007 (the "10 5/8% Discount Notes")

On November 25, 1997, the Company issued $251,000,000 aggregate principal amount (at maturity) of the 10 5/8% Discount Notes for proceeds of $150,010,000 (net of original issue discount). The Company used a portion of the proceeds from the sale of the 10 5/8% Discount Notes to (1) repay all of the outstanding borrowings, including accrued interest thereon, under the Senior Credit Facility; (2) repay the promissory notes payable, including accrued interest thereon, to the former stockholders of TEA (see Note 2); (3) repay certain indebtedness, including accrued interest thereon, from a prior acquisition; and (4) repay outstanding installment debt assumed in connection with the Crown acquisition (see Note 2).

The 10 5/8% Discount Notes will not pay any interest until May 15, 2003, at which time semi-annual interest payments will commence and become due on each May 15 and November 15 thereafter. The maturity date of the 10 5/8% Discount Notes is November 15, 2007. The 10 5/8% Discount Notes are net of unamortized discount of $82,901,000 and $64,566,000 at December 31, 1998 and 1999, respectively.

The 10 5/8% Discount Notes are redeemable at the option of the Company, in whole or in part, on or after November 15, 2002 at a price of 105.313% of the principal amount plus accrued interest. The redemption price is reduced annually until November 15, 2005, after which time the 10 5/8% Discount Notes are redeemable at par. Prior to November 15, 2000, the Company may redeem up to 35% of the aggregate principal amount of the 10 5/8% Discount Notes, at a price of 110.625% of the accreted value thereof, with the net cash proceeds from a public offering of the Company's common stock.

10 3/8% Senior Discount Notes due 2011 (the "10 3/8% Discount Notes") and 9% Senior Notes due 2011 (the "9% Senior Notes")

On May 12, 1999, the Company issued (1) $500,000,000 aggregate principal amount (at maturity) of its 10 3/8% Discount Notes for proceeds of $292,644,000 (net of original issue discount of $198,305,000 and after underwriting discounts of $9,051,000) and (2) $180,000,000 aggregate principal amount of its 9% Senior Notes for proceeds of $174,600,000 (after underwriting discounts of $5,400,000). The Company used a portion of the proceeds from the sale of these securities to repay $100,000,000 in outstanding borrowings, including accrued interest thereon, under a term loan credit facility in connection with the BellSouth and Powertel transactions (see Note 2). The remaining proceeds are being used to pay the remaining purchase price for such transactions, to fund the initial interest payments on the 9% Senior Notes and for general corporate purposes.

The 10 3/8% Discount Notes will not pay any interest until November 15, 2004, at which time semi-annual interest payments will commence and become due on each May 15 and November 15 thereafter. Semi-annual interest payments for the 9% Senior Notes are due on each May 15 and November 15, commencing on November 15, 1999. The maturity date of the 10 3/8% Discount Notes and the 9% Senior Notes is May 15, 2011. The 10 3/8% Discount Notes are net of unamortized discount of $178,716,000 at December 31, 1999.

The 10 3/8% Discount Notes and the 9% Senior Notes are redeemable at the option of the Company, in whole or in part, on or after May 15, 2004 at prices of 105.187% and 104.5%, respectively, of the principal amount plus accrued interest. The redemption prices are reduced annually until May 15, 2007, after which time the 10 3/8% Discount Notes and the 9% Senior Notes are redeemable at par. Prior to May 15, 2002, the Company may redeem up to 35% of the aggregate principal amount of the 10 3/8% Discount Notes and the 9% Senior Notes, at prices of 110.375% and 109%, respectively, of the accreted value thereof, with the net cash proceeds from a public offering of the Company's common stock.

11 1/4% Senior Discount Notes due 2011 (the "11 1/4% Discount Notes") and 9 1/2% Senior Notes due 2011 (the "9 1/2% Senior Notes")

On July 27, 1999, the Company issued (1) $260,000,000 aggregate principal amount (at maturity) of its 11 1/4% Discount Notes for proceeds of $147,501,000 (net of original issue discount of $109,489,000 and after underwriting discounts of $3,010,000) and (2) $125,000,000 aggregate principal amount of its 9 1/2% Senior Notes for proceeds of $122,500,000 (after underwriting discounts of $2,500,000) (collectively, the "July Offerings"). The proceeds from the sale of these securities are being used to pay the purchase price for the BellSouth DCS transaction (see Note 2), to fund the initial interest payments on the 9 1/2% Senior Notes and for general corporate purposes.

The 11 1/4% Discount Notes will not pay any interest until February 1, 2005, at which time semi-annual interest payments will commence and become due on each February 1 and August 1 thereafter. Semi-annual interest payments for the 9 1/2% Senior Notes are due on each February 1 and August 1, commencing on February 1, 2000. The maturity date of the 11 1/4% Discount Notes and the 9 1/2% Senior Notes is August 1, 2011. The 11 1/4% Discount Notes are net of unamortized discount of $102,530,000 at December 31, 1999.

The 11 1/4% Discount Notes and the 9 1/2% Senior Notes are redeemable at the option of the Company, in whole or in part, on or after August 1, 2004 at prices of 105.625% and 104.75%, respectively, of the principal amount plus accrued interest. The redemption prices are reduced annually until August 1, 2007, after which time the 11 1/4% Discount Notes and the 9 1/2% Senior Notes are redeemable at par. Prior to August 1, 2002, the Company may redeem up to 35% of the aggregate principal amount of the 11 1/4% Discount Notes and the 9 1/2% Senior Notes, at prices of 111.25% and 109.5%, respectively, of the accreted value thereof, with the net cash proceeds from a public offering of the Company's common stock.

Structural Subordination of the Debt Securities

The 10 5/8% Discount Notes, the 10 3/8% Discount Notes, the 9% Senior Notes, the 11 1/4% Discount Notes and the 9 1/2% Senior Notes (collectively, the "Debt Securities") are senior indebtedness of the Company; however, they are unsecured and effectively subordinate to the liabilities of the Company's subsidiaries, which include outstanding borrowings under the Senior Credit Facility, the CCUK Credit Facility, the Crown Atlantic Credit Facility and the CCUK Bonds. The indentures governing the Debt Securities (the "Indentures") place restrictions on the Company's ability to, among other things, pay dividends and make capital distributions, make investments, incur additional debt and liens, issue additional preferred stock, dispose of assets and undertake transactions with affiliates. As of December 31, 1999, the Company was effectively precluded from paying dividends on its capital stock under the terms of the Indentures.

Reporting Requirements Under the Indentures Governing the Company's Debt Securities and the Certificate of Designations Governing the Company's 12 3/4% Senior Exchangeable Preferred Stock (the "Certificate")

The following information (as such capitalized terms are defined in the Indentures and the Certificate) is presented solely as a requirement of the Indentures and the Certificate; such information is not intended as an

alternative measure of financial position, operating results or cash flow from operations (as determined in accordance with generally accepted accounting principles). Furthermore, the Company's measure of the following information may not be comparable to similarly titled measures of other companies.

Upon consummation of the share exchange with CCUK's shareholders (see Note 2), which increased the Company's ownership interest in CCUK to 80%, the Company designated CCUK as an Unrestricted Subsidiary. In addition, the Company has designated Crown Atlantic as an Unrestricted Subsidiary (see Note 2). Prior to these transactions, the Company did not have any Unrestricted Subsidiaries. Summarized financial information for (1) the Company and its Restricted Subsidiaries; and (2) the Company's Unrestricted Subsidiaries is as follows:

	December 31, 1999			
	Company and Restricted Subsidiaries	Unrestricted Subsidiaries	Consolidation Eliminations	Consolidated Total
	(In thousands of dollars)			
Cash and cash equivalents	$ 494,724	$ 54,604	$ --	$ 549,328
Other current assets	59,106	53,611	--	112,717
Property and equipment, net	1,350,610	1,117,491	--	2,468,101
Escrow deposit for acquisition	50,000	--	--	50,000
Investments in Unrestricted Subsidiaries	991,261	--	(991,261)	--
Goodwill and other intangible assets, net	132,553	463,594	--	596,147
Other assets, net	48,578	11,779	--	60,357
	$3,126,832	$1,701,079	$(991,261)	$3,836,650
Current liabilities	$ 49,905	$ 81,376	$ --	$ 131,281
Long-term debt	1,033,188	509,155	--	1,542,343
Other liabilities	3,069	63,995	--	67,064
Minority interests	--	55,292	--	55,292
Redeemable preferred stock	422,923	--	--	422,923
Stockholders' equity	1,617,747	991,261	(991,261)	1,617,747
	$3,126,832	$1,701,079	$(991,261)	$3,836,650

	Three Months Ended December 31, 1999			Year Ended December 31, 1999		
	Company and Restricted Subsidiaries	Unrestricted Subsidiaries	Consolidated Total	Company and Restricted Subsidiaries	Unrestricted Subsidiaries	Consolidated Total
	(In thousands of dollars)					
Net revenues	$ 40,694	$ 73,502	$114,196	$104,177	$241,582	$ 345,759
Costs of operations (exclusive of depreciation and amortization)	17,327	34,534	51,861	42,737	114,011	156,748
General and administrative	10,578	3,169	13,747	33,052	10,771	43,823
Corporate development	1,181	88	1,269	4,584	819	5,403
Restructuring charges	3,831	--	3,831	5,645	--	5,645
Non-cash compensation charges	340	161	501	1,404	769	2,173
Depreciation and amortization	16,251	24,486	40,737	42,354	87,752	130,106
Operating income (loss)	(8,814)	11,064	2,250	(25,599)	27,460	1,861
Interest and other income (expense)	4,339	590	4,929	9,934	7,797	17,731
Interest expense and amortization of deferred financing costs	(25,891)	(12,669)	(38,560)	(70,341)	(40,567)	(110,908)
Provision for income taxes	(7)	--	(7)	(275)	--	(275)
Minority interests	--	(1,569)	(1,569)	--	(2,756)	(2,756)
Cumulative effect of change in accounting principle for costs of start-up activities	--	--	--	(2,414)	--	(2,414)
Net loss	$(30,373)	$ (2,584)	$(32,957)	$(88,695)	$ (8,066)	$ (96,761)

Tower Cash Flow and Adjusted Consolidated Cash Flow for the Company and its Restricted Subsidiaries is as follows under (1) the indenture governing the 10 5/8% Discount Notes and the Certificate (the "1997 and 1998 Securities") and (2) the indentures governing the 10 3/8% Discount Notes, the 9% Senior Notes, the 11 1/4% Discount Notes and the 9 1/2% Senior Notes (the "1999 Securities"):

	1997 and 1998 Securities	1999 Securities
	(In thousands of dollars) (Unaudited)	
Tower Cash Flow, for the three months ended December 31, 1999	$ 12,339	$ 12,339
Consolidated Cash Flow, for the twelve months ended December 31, 1999	$ 23,804	$ 28,388
Less: Tower Cash Flow, for the twelve months ended December 31, 1999	(33,022)	(33,022)
Plus: four times Tower Cash Flow, for the three months ended December 31, 1999	49,356	49,356
Adjusted Consolidated Cash Flow, for the twelve months ended December 31, 1999	$ 40,138	$ 44,722

Restricted Net Assets of Subsidiaries

Under the terms of the Senior Credit Facility, the CCUK Credit Facility, the Crown Atlantic Credit Facility and the CCUK Bonds, the Company's subsidiaries are limited in the amount of dividends which can be paid to the Company. For CCI, the amount of such dividends is limited to (1) $6,000,000 per year until October 31, 2002, and $33,000,000 per year thereafter; and (2) an amount to pay income taxes attributable to the Company's Restricted Subsidiaries. CCUK and Crown Atlantic are effectively precluded from paying dividends. The restricted net assets of the Company's subsidiaries totaled approximately $1,003,701,000 at December 31, 1999.

Interest Rate Swap Agreements

The Company had an interest rate swap agreement in connection with amounts borrowed under the Senior Credit Facility which terminated on February 24, 1999. The Company paid a fixed rate of 6.28% on the notional amount and received a floating rate based on LIBOR. This agreement effectively changed the interest rate on $17,925,000 of borrowings under the Senior Credit Facility from a floating rate to a fixed rate of 6.28% plus the applicable margin.

In April 1999, the Company entered into an interest rate swap agreement in connection with amounts borrowed under the Crown Atlantic Credit Facility. This interest rate swap agreement has an initial notional amount of $100,000,000, decreasing on a quarterly basis beginning September 30, 2003 until the termination of the agreement on March 31, 2006. The Company pays a fixed rate of 5.79% on the notional amount and receives a floating rate based on LIBOR. This agreement effectively changes the interest rate on a portion of the borrowings under the Crown Atlantic Credit Facility from a floating rate to a fixed rate of 5.79% plus the applicable margin. The Company does not believe there is any significant exposure to credit risk due to the creditworthiness of the counterparty. In the event of nonperformance by the counterparty, the Company's loss would be limited to any unfavorable interest rate differential.

6. INCOME TAXES

The provision for income taxes consists of the following:

	Years Ended December 31,		
	1997	1998	1999
	(In thousands of dollars)		
Current:			
State	$ --	$ 365	$ 55
Puerto Rico	49	9	--
Foreign	--	--	220
	$ 49	$ 374	$ 275

A reconciliation between the provision for income taxes and the amount computed by applying the federal statutory income tax rate to the loss before income taxes is as follows:

	Years Ended December 31,		
	1997	1998	1999
	(In thousands of dollars)		
Benefit for income taxes at statutory rate	$(4,044)	$(12,154)	$(31,047)
Depreciation on basis difference in joint venture	--	--	1,012
Amortization of intangible assets	478	604	770
Stock-based compensation	--	2,844	477
State and foreign taxes, net of federal tax benefit	--	247	182
Expenses for which no federal tax benefit was recognized	28	151	152
Acquisition costs	--	(675)	34
Puerto Rico taxes	49	9	--
Foreign earnings not subject to tax	--	(584)	(781)
Changes in valuation allowances	3,650	9,944	29,451
Other	(112)	(12)	25
	$ 49	$ 374	$ 275

The components of the net deferred income tax assets and liabilities are as follows:

	December 31,	
	1998	1999
	(In thousands of dollars)	
Deferred income tax liabilities:		
Property and equipment	$ 6,045	$ 30,055
Other	84	14
Total deferred income tax liabilities	6,129	30,069
Deferred income tax assets:		
Net operating loss carryforwards	19,071	76,826
Noncompete agreement	464	348
Intangible assets	351	264
Puerto Rico losses	--	238
Accrued liabilities	68	68
Receivables allowance	41	55
Other	45	45
Valuation allowances	(13,911)	(47,775)
Total deferred income tax assets, net	6,129	30,069
Net deferred income tax liabilities	$ --	$ --

Valuation allowances of $13,911,000 and $47,775,000 were recognized to offset net deferred income tax assets as of December 31, 1998 and 1999, respectively.

At December 31, 1999, the Company has net operating loss carryforwards of approximately $225,959,000 which are available to offset future federal taxable income. These loss carryforwards will expire in 2010 through 2019. The utilization of the loss carryforwards is subject to certain limitations.

7. MINORITY INTERESTS

Minority interests represent the minority shareholder's 20% interest in CCUK and the minority partner's 38.5% interest in Crown Atlantic.

8. REDEEMABLE PREFERRED STOCK

Redeemable preferred stock ($.01 par value, 10,000,000 shares authorized) consists of the following:

	December 31,	
	1998	1999
	(In thousands of dollars)	
12 3/4% Senior Exchangeable Preferred Stock; shares issued: December 31, 1998 - 200,000 and December 31, 1999 - 226,745 (stated at mandatory redemption and aggregate liquidation value)	$201,063	$227,950
8 1/4% Cumulative Convertible Redeemable Preferred Stock; shares issued: December 31, 1998 - none and December 31, 1999 - 200,000 (stated net of unamortized value of warrants; mandatory redemption and aggregate liquidation value of $200,000)	--	194,973
	$201,063	$422,923

Exchangeable Preferred Stock

On December 16, 1998, the Company issued 200,000 shares of its 12 3/4% Senior Exchangeable Preferred Stock due 2010 (the "Exchangeable Preferred Stock") at a price of $1,000 per share (the liquidation preference per share). The net proceeds received by the Company from the sale of such shares amounted to approximately $193,000,000 (after underwriting discounts of $7,000,000 but before other expenses of the offering, which amounted to approximately $8,059,000). A portion of the net proceeds was used to repay outstanding borrowings under the Senior Credit Facility of $73,750,000, and the remaining net proceeds were used to pay a portion of the purchase price for the Crown Atlantic transaction (see Note 2).

The holders of the Exchangeable Preferred Stock are entitled to receive cumulative dividends at the rate of 12 3/4% per share, compounded quarterly on each March 15, June 15, September 15 and December 15 of each year, beginning on March 15, 1999. On or before December 15, 2003, the Company has the option to pay dividends in cash or in additional shares of Exchangeable Preferred Stock. After December 15, 2003, dividends are payable only in cash.

The Company is required to redeem all outstanding shares of Exchangeable Preferred Stock on December 15, 2010 at a price equal to the liquidation preference plus accumulated and unpaid dividends. On or after December 15, 2003, the shares are redeemable at the option of the Company, in whole or in part, at a price of 106.375% of the liquidation preference. The redemption price is reduced on an annual basis until December 15, 2007, at which time the shares are redeemable at the liquidation preference. Prior to December 15, 2001, the Company may redeem up to 35% of the Exchangeable Preferred Stock, at a price of 112.75% of the liquidation preference, with the net proceeds from certain public equity offerings. The shares of Exchangeable Preferred Stock are exchangeable, at the option of the Company, in whole but not in part, for 12 3/4% Senior Subordinated Exchange Debentures due 2010.

The Company's obligations with respect to the Exchangeable Preferred Stock are subordinate to all indebtedness of the Company (including the Debt Securities), and are effectively subordinate to all debt and liabilities of the Company's subsidiaries (including the Senior Credit Facility, the CCUK Credit Facility, the Crown Atlantic Credit Facility and the CCUK Bonds). The certificate of designations governing the Exchangeable Preferred Stock places restrictions on the Company's ability to, among other things, pay dividends and make capital distributions, make investments, incur additional debt and liens, issue additional preferred stock, dispose of assets and undertake transactions with affiliates.

Convertible Preferred Stock

On November 19, 1999, the Company issued 200,000 shares of its 8 1/4% Cumulative Convertible Redeemable Preferred Stock (the "Convertible Preferred Stock") at a price of $1,000 per share (the liquidation preference per share) to General Electric Capital Corporation ("GECC"). The Company received net proceeds of approximately $191,500,000 (after structuring and underwriting fees of $8,500,000 but before other expenses of the transaction). The net proceeds will be used to pay a portion of the purchase price for the GTE joint venture (see Note 2).

GECC will be entitled to receive cumulative dividends at the rate of 8 1/4% per annum payable on March 15, June 15, September 15 and December 15 of each year, beginning on December 15, 1999. The Company will have the option to pay dividends in cash or in shares of its Common Stock having a current market value equal to the stated dividend amount. GECC also received warrants to purchase 1,000,000 shares of the Company's Common Stock at an exercise price of $26.875 per share. The warrants will be exercisable, in whole or in part, at any time for a period of five years following the issue date.

The Company is required to redeem all outstanding shares of the Convertible Preferred Stock on March 31, 2012 at a price equal to the liquidation preference plus accumulated and unpaid dividends. On or after October 1, 2002, the shares are redeemable at the option of the Company, in whole or in part, at a price of 104.125% of the liquidation preference. The redemption price is reduced on an annual basis until October 1, 2005, at which time the shares are redeemable at the liquidation preference. The shares of Convertible Preferred Stock are convertible, at the option of GECC, in whole or in part at any time, into shares of the Company's Common Stock at a conversion price of $26.875 per share of Common Stock.

The Company's obligations with respect to the Convertible Preferred Stock are subordinate to all indebtedness and the Exchangeable Preferred Stock of the Company, and are effectively subordinate to all debt and liabilities of the Company's subsidiaries. The certificate of designations governing the Convertible Preferred Stock places restrictions on the Company similar to those imposed by the Company's Debt Securities and the Exchangeable Preferred Stock.

Senior Preferred Stock

In August 1997, the Company issued 292,995 shares of its Senior Convertible Preferred Stock (the "Senior Preferred Stock") at a price of $100 per share. The net proceeds received by the Company from the sale of such shares amounted to approximately $29,266,000, most of which was used to pay the cash portion of the purchase price for Crown (see Note 2). In October 1997, the Company issued an additional 364,500 shares of its Senior Preferred Stock at a price of $100 per share. The net proceeds received by the Company from the sale of such shares amounted to $36,450,000. This amount, along with borrowings under the Senior Credit Facility, was used to repay the promissory note from the Crown acquisition (see Note 2).

The holders of the Senior Preferred Stock were entitled to receive cumulative dividends at the rate of 12.5% per share, compounded annually. At the option of the holder, each share of Senior Preferred Stock (plus any accrued and unpaid dividends) was convertible, at any time, into shares of the Company's common stock at a conversion price of $7.50 (subject to adjustment in the event of an underwritten public offering of the Company's common stock). At the date of issuance of the Senior Preferred Stock, the Company believes that its conversion price represented the estimated fair value of the common stock on that date. In July 1998, all of the shares of Senior Preferred Stock were converted into shares of common stock (see Note 9).

The purchasers of the Senior Preferred Stock were also issued warrants to purchase an aggregate 1,314,990 shares of the Company's common stock at an exercise price of $7.50 per share (subject to adjustment in the

event of an underwritten public offering of the Company's common stock). The warrants are exercisable, in whole or in part, at any time until August and October of 2007. At the date of issuance of the warrants, the Company believes that the exercise price represented the estimated fair value of the common stock on that date. As such, the Company has not assigned any value to the warrants in its consolidated financial statements.

Series Preferred Stock

The holders of the Company's Series A Convertible Preferred Stock (the "Series A Preferred Stock"), the Series B Convertible Preferred Stock (the "Series B Preferred Stock") and the Series C Convertible Preferred Stock (the "Series C Preferred Stock") (collectively, the "Series Preferred Stock") were entitled to receive dividends, if and when declared, at the same rate as dividends were declared and paid with respect to the Company's common stock. Each of the outstanding shares of Series Preferred Stock was automatically converted into five shares of common stock upon consummation of the Company's initial public offering (see Note 9).

In February and April of 1997, the Company issued 3,529,832 shares of its Series C Preferred Stock at a price of $21.00 per share. The net proceeds received by the Company from the sale of the Series C Preferred Stock amounted to approximately $74,024,000. A portion of this amount was used to purchase the ownership interest in CCUK (see Note 4).

9. STOCKHOLDERS' EQUITY

Common Stock

On May 12, 1999, the Company sold shares of its common stock and debt securities in concurrent underwritten public offerings (collectively, the "May Offerings") (see Note 5). The Company sold 21,000,000 shares of its common stock at a price of $17.50 per share and received proceeds of $352,800,000 (after underwriting discounts of $14,700,000). The Company had granted the underwriters for the May Offerings an over-allotment option to purchase an additional 3,150,000 shares of the Company's common stock. On May 13, 1999, the underwriters exercised this over-allotment option in full. As a result, the Company received additional proceeds of $52,920,000 (after underwriting discounts of $2,205,000). The proceeds from the May Offerings are being used to pay the remaining purchase price for the BellSouth and Powertel transactions, to fund the initial interest payments on the 9% Senior Notes and for general corporate purposes.

On June 15, 1999, the Company sold shares of its common stock to a subsidiary of TeleDiffusion de France International S.A. ("TdF") pursuant to TdF's preemptive rights related to two recent acquisitions. The Company sold 5,395,539 shares at $12.63 per share and 125,066 shares at $13.00 per share. The aggregate proceeds of approximately $69,772,000 will be used for general corporate purposes.

On July 20, 1999, the Company sold shares of its common stock to a subsidiary of TdF pursuant to TdF's preemptive rights related to the May Offerings. The Company sold 8,351,791 shares at $16.80 per share. The aggregate proceeds of approximately $140,310,000 will be used for general corporate purposes.

On August 18, 1998, the Company consummated its initial public offering of common stock at a price to the public of $13.00 per share (the "IPO"). The Company sold 12,320,000 shares of its common stock and received proceeds of $151,043,000 (after underwriting discounts of $9,117,000 but before other expenses of the IPO, which amounted to approximately $4,116,000). The net proceeds from the IPO were used to pay a portion of the purchase price for the Crown Atlantic transaction (see Note 2).

In anticipation of the IPO, the Company (1) amended and restated the 1995 Stock Option Plan to, among other things, authorize the issuance of up to 18,000,000 shares of common stock pursuant to awards made thereunder; and (2) approved an amendment to its certificate of incorporation to increase the number of authorized shares of common and preferred stock to 690,000,000 shares and 10,000,000 shares, respectively, and to effect a five-for-one stock split for the shares of common stock then outstanding. The effect of the stock split has been presented retroactively in the Company's consolidated financial statements for all periods presented.

In July 1998, all of the holders of the Company's Senior Convertible Preferred Stock converted such shares into an aggregate of 9,629,200 shares of the Company's common stock. Upon consummation of the IPO, all of the holders of the Company's then-existing shares of Class A Common Stock, Class B Common Stock, Series A Convertible Preferred Stock, Series B Convertible Preferred Stock and Series C Convertible Preferred Stock converted such shares into an aggregate of 39,842,290 shares of the Company's common stock.

In March 1997, the Company repurchased, and subsequently retired, 814,790 shares of its common stock from a member of the Company's Board of Directors at a cost of approximately $3,422,000. Of this amount, $1,311,000 was recorded as compensation cost and is included in corporate development expense on the Company's consolidated statement of operations. In August 1998, the Company repurchased, and subsequently retired, 141,070 shares of its common stock from a former employee at a cost of approximately $883,000.

Class A Common Stock

Upon consummation of the share exchange agreement with CCUK's shareholders (see Note 2), TdF received all of the currently outstanding shares of the Company's Class A Common Stock. Each share of Class A Common Stock is convertible, at the option of its holder at any time, into one share of Common Stock. The holder of the Class A Common Stock is entitled to one vote per share on all matters presented to a vote of the Company's shareholders, except with respect to the election of directors. The holder of the Class A Common Stock, voting as a separate class, has the right to elect up to two members of the Company's Board of Directors. The shares of Class A Common Stock also provide certain governance and anti-dilutive rights.

Compensation Charges Related to Stock Option Grants

During the period from April 24, 1998 through July 15, 1998, the Company granted options to employees and executives for the purchase of 3,236,980 shares of its common stock at an exercise price of $7.50 per share. Of such options, options for 1,810,730 shares vested upon consummation of the IPO and the remaining options for 1,426,250 shares will vest at 20% per year over five years, beginning one year from the date of grant. In addition, the Company has assigned its right to repurchase shares of its common stock from a stockholder (at a price of $6.26 per share) to two individuals (including a newly-elected director) with respect to 100,000 of such shares. Since the granting of these options and the assignment of these rights to repurchase shares occurred subsequent to the date of the share exchange agreement with CCUK's shareholders and at prices substantially below the price to the public in the IPO, the Company has recorded a non-cash compensation charge related to these options and shares based upon the difference between the respective exercise and purchase prices and the price to the public in the IPO. Such compensation charge will total approximately $18,400,000, of which approximately $10,600,000 was recognized upon consummation of the IPO (for such options and shares which vested upon consummation of the IPO), and the remaining $7,800,000 is being recognized over five years (approximately $1,600,000 per year) through the second quarter of 2003. An additional $1,600,000 in non-cash compensation charges will be recognized through the third quarter of 2001 for stock options issued to certain members of CCUK's management prior to the consummation of the share exchange.

Stock Options

In 1995, the Company adopted the Crown Castle International Corp. 1995 Stock Option Plan (as amended, the "1995 Stock Option Plan"). Up to 28,000,000 shares of the Company's common stock have been reserved for awards granted to certain employees, consultants and non-employee directors of the Company and its subsidiaries or affiliates. These options generally vest over periods of up to five years from the date of grant (as determined by the Company's Board of Directors) and have a maximum term of 10 years from the date of grant.

Upon consummation of the share exchange agreement with CCUK's shareholders (see Note 2), the Company adopted each of the various CCUK stock option plans. All outstanding options to purchase shares of CCUK under such plans have been converted into options to purchase shares of the Company's common stock. Up to 4,392,451 shares of the Company's common stock were reserved for awards granted under the CCUK plans, and these options generally vest over periods of up to three years from the date of grant.

A summary of awards granted under the various stock option plans is as follows for the years ended December 31, 1997, 1998 and 1999:

	1997		1998		1999	
	Number of Shares	Weighted-Average Exercise Price	Number of Shares	Weighted-Average Exercise Price	Number of Shares	Weighted-Average Exercise Price
Options outstanding at beginning of year	1,050,000	$0.89	3,694,375	$ 4.69	16,585,197	$ 7.06
Options granted	3,042,500	5.46	9,024,720	10.02	4,661,649	18.68
Options outstanding under CCUK stock option plans	--	--	4,367,202	2.74	--	--
Options exercised	(363,125)	0.53	(216,650)	4.89	(1,482,066)	5.82
Options forfeited	(35,000)	1.20	(284,450)	5.72	(538,704)	9.17
Options outstanding at end of year	3,694,375	4.69	16,585,197	7.06	19,226,076	9.89
Options exercisable at end of year	728,875	2.49	7,615,649	4.75	11,590,217	8.14

In August 1998, certain outstanding options became fully or partially vested upon consummation of the IPO. A summary of options outstanding as of December 31, 1999 is as follows:

Exercise Prices			Number of Options Outstanding	Weighted-Average Remaining Contractual Life	Number of Options Exercisable
$ -0-	to	$ 1.60	729,107	6.0 years	644,415
2.31	to	3.90	3,541,171	6.8 years	1,977,850
4.01	to	5.97	1,616,592	7.7 years	1,535,925
7.50	to	7.77	4,789,021	8.3 years	3,244,029
10.04	to	12.50	436,418	8.9 years	93,084
		13.00	3,415,000	8.6 years	3,415,000
15.13	to	17.63	1,286,000	9.7 years	25,000
18.00	to	19.94	2,003,822	9.3 years	546,986
20.06	to	22.28	1,289,111	9.2 years	107,928
23.69	to	25.62	119,834	9.5 years	--
			19,226,076		11,590,217

The weighted-average fair value of options granted during the years ended December 31, 1997, 1998 and 1999 was $1.30, $4.54 and $6.76, respectively. The fair value of each option was estimated on the date of grant using the Black-Scholes option-pricing model and the following weighted-average assumptions about the options (the minimum value method was used prior to the IPO):

	Years Ended December 31,		
	1997	1998	1999
Risk-free interest rate.....	6.1%	5.38%	5.41%
Expected life.....	4.5 years	3.6 years	4.9 years
Expected volatility.....	0%	0% to 30%	30 %
Expected dividend yield.....	0%	0%	0 %

The exercise prices for options granted during the years ended December 31, 1997 and 1999 were equal to or in excess of the estimated fair value of the Company's common stock at the date of grant. As such, no compensation cost was recognized for stock options during those years (see Note 1 and "Compensation Charges Related to Stock Option Grants"). If compensation cost had been recognized for stock options based on their fair value at the date of grant, the Company's pro forma net loss for the years ended December 31, 1997, 1998 and 1999 would have been $12,586,000 ($2.37 per share), $75,660,000 ($1.91 per share) and $113,633,000 ($1.08 per share), respectively. The pro forma effect of stock options on the Company's net loss for those years may not be representative of the pro forma effect for future years due to the impact of vesting and potential future awards.

Shares Reserved For Issuance

At December 31, 1999, the Company had the following shares reserved for future issuance:

Common Stock:	
Class A Common Stock	11,340,000
Shares of CCUK stock which are convertible into common stock	17,443,500
Convertible Preferred Stock	7,441,860
Stock option plans	30,330,610
Warrants	2,194,990
	68,750,960

10. EMPLOYEE BENEFIT PLANS

The Company and its subsidiaries have various defined contribution savings plans covering substantially all employees. Depending on the plan, employees may elect to contribute up to 15% of their eligible compensation. Certain of the plans provide for partial matching of such contributions. The cost to the Company for these plans amounted to $98,000, $197,000 and $836,000 for the years ended December 31, 1997, 1998 and 1999, respectively.

CCUK has a defined benefit plan which covers all of its employees hired on or before March 1, 1997. Employees hired after that date are not eligible to participate in this plan. The net periodic pension cost attributable to this plan for the four months ended December 31, 1998 and the year ended December 31, 1999 was $1,115,000 and $3,592,000, respectively. As of December 31, 1998 and 1999, (1) the projected benefit obligation amounted to $15,298,000 and $18,169,000, respectively; (2) the fair value of the plan's assets amounted to $15,848,000 and $22,449,000, respectively; and (3) the prepaid pension cost attributable to this plan amounted to $1,704,000 and $1,454,000, respectively.

11. RELATED PARTY TRANSACTIONS

Included in other receivables at December 31, 1998 and 1999 are amounts due from employees of the Company totaling $368,000 and $312,000, respectively.

12. COMMITMENTS AND CONTINGENCIES

At December 31, 1999, minimum rental commitments under operating leases are as follows: years ending December 31, 2000 - $70,477,000; 2001 - $67,261,000; 2002 - $61,770,000; 2003 - $54,625,000; 2004 - $49,111,000; thereafter - $233,217,000. Rental expense for operating leases was $1,712,000, $9,620,000 and $47,300,000 for the years ended December 31, 1997, 1998 and 1999, respectively.

The Company is involved in various claims, lawsuits and proceedings arising in the ordinary course of business. While there are uncertainties inherent in the ultimate outcome of such matters and it is impossible to presently determine the ultimate costs that may be incurred, management believes the resolution of such uncertainties and the incurrence of such costs should not have a material adverse effect on the Company's consolidated financial position or results of operations.

13. OPERATING SEGMENTS AND CONCENTRATIONS OF CREDIT RISK

Operating Segments

The Company's reportable operating segments for 1999 are (1) the domestic operations other than Crown Atlantic ("CCUSA"); (2) the United Kingdom operations of CCUK; and (3) the operations of Crown Atlantic. Financial results for the Company are reported to management and the Board of Directors in this manner, and much of the Company's current debt financing is structured along these geographic and organizational lines. See Note 1 for a description of the primary revenue sources from these segments.

As discussed in Note 2, CCUK's and Crown Atlantic's results of operations are included in the Company's consolidated financial statements beginning in 1998 and 1999, respectively. Prior to that time, the domestic operations of CCUSA represented the Company's only reportable segment.

The measurement of profit or loss currently used to evaluate the results of operations for the Company and its operating segments is earnings before interest, taxes, depreciation and amortization ("EBITDA"). The Company defines EBITDA as operating income (loss) plus depreciation and amortization, non-cash compensation charges and restructuring charges. EBITDA is not intended as an alternative measure of operating results or cash flow from operations (as determined in accordance with generally accepted accounting principles), and the Company's measure of EBITDA may not be comparable to similarly titled measures of other companies. There are no significant revenues resulting from transactions between the Company's operating segments. Total assets for the Company's operating segments are determined based on the separate consolidated balance sheets for CCUSA, CCUK and Crown Atlantic. The results of operations and financial position for CCUK reflect appropriate adjustments for their presentation in accordance with generally accepted accounting principles in the United States. The financial results for the Company's operating segments are as follows:

	Year Ended December 31, 1999				
	CCUSA	CCUK	Crown Atlantic	Corporate Office and Other	Consolidated Total
	(In thousands of dollars)				
Net revenues:					
Site rental and broadcast transmission	$ 58,293	$171,981	$ 37,620	$ --	$ 267,894
Network services and other	44,413	21,713	10,268	1,471	77,865
	102,706	193,694	47,888	1,471	345,759
Costs of operations (exclusive of depreciation and amortization)	41,648	93,058	20,953	1,089	156,748
General and administrative	27,988	5,625	5,146	5,064	43,823
Corporate development	--	819	--	4,584	5,403
EBITDA	33,070	94,192	21,789	(9,266)	139,785
Restructuring charges	5,645	--	--	--	5,645
Non-cash compensation charges	67	769	--	1,337	2,173
Depreciation and amortization	41,174	63,597	24,155	1,180	130,106
Operating income (loss)	(13,816)	29,826	(2,366)	(11,783)	1,861
Interest and other income (expense)	(155)	377	4,577	12,932	17,731
Interest expense and amortization of deferred financing costs	(4,119)	(28,334)	(12,233)	(66,222)	(110,908)
Provision for income taxes	(56)	--	--	(219)	(275)
Minority interests	--	(3,835)	1,079	--	(2,756)
Cumulative effect of change in accounting principle for costs of start-up activities	(2,014)	--	--	(400)	(2,414)
Net loss	$ (20,160)	$ (1,966)	$ (8,943)	$(65,692)	$ (96,761)
Capital expenditures	$ 118,961	$150,562	$ 23,287	$ 991	$ 293,801
Total assets (at year end)	$1,544,969	$989,060	$712,019	$590,602	$3,836,650

	Year Ended December 31, 1998			
	CCUSA	CCUK	Corporate Office and Other	Consolidated Total
	(In thousands of dollars)			
Net revenues:				
Site rental and broadcast transmission	$ 22,541	$ 52,487	$ --	$ 75,028
Network services and other	31,471	5,568	1,011	38,050
	54,012	58,055	1,011	113,078
Costs of operations (exclusive of depreciation and amortization)	23,076	24,372	370	47,818
General and administrative	17,929	2,418	3,224	23,571
Corporate development	--	--	4,625	4,625
EBITDA	13,007	31,265	(7,208)	37,064
Non-cash compensation charges	132	2,851	9,775	12,758
Depreciation and amortization	16,202	20,318	719	37,239
Operating income (loss)	(3,327)	8,096	(17,702)	(12,933)
Equity in earnings of unconsolidated affiliate	--	--	2,055	2,055
Interest and other income (expense)	(253)	294	4,179	4,220
Interest expense and amortization of deferred financing costs	(4,476)	(7,362)	(17,251)	(29,089)
Provision for income taxes	(374)	--	--	(374)
Minority interests	--	(1,654)	--	(1,654)
Net loss	$ (8,430)	$ (626)	$(28,719)	$ (37,775)
Capital expenditures	$ 84,911	$ 50,224	$ 3,624	$ 138,759
Total assets (at year end)	$332,555	$887,938	$302,737	$1,523,230

	Year Ended December 31, 1997		
	CCUSA	Corporate Office and Other	Consolidated Total
	(In thousands of dollars)		
Net revenues:			
Site rental and broadcast transmission	$11,010	$ --	$ 11,010
Network services and other	20,066	329	20,395
	31,076	329	31,405
Costs of operations (exclusive of depreciation and amortization)	15,350	--	15,350
General and administrative	6,675	149	6,824
Corporate development	1,864	3,867	5,731
EBITDA	7,187	(3,687)	3,500
Depreciation and amortization	6,925	27	6,952
Operating income (loss)	262	(3,714)	(3,452)
Equity in losses of unconsolidated affiliate	--	(1,138)	(1,138)
Interest and other income (expense)	(77)	2,028	1,951
Interest expense and amortization of deferred financing costs	(4,660)	(4,594)	(9,254)
Provision for income taxes	--	(49)	(49)
Net loss	$(4,475)	$(7,467)	$(11,942)
Capital expenditures	$17,200	$ 835	$ 18,035

Geographic Information

A summary of net revenues by country, based on the location of the Company's subsidiary, is as follows:

	Years Ended December 31,		
	1997	1998	1999
	(In thousands of dollars)		
United States	$29,076	$ 51,807	$147,679
Puerto Rico	2,329	2,470	2,915
Total domestic operations	31,405	54,277	150,594
United Kingdom	--	58,055	193,655
Other foreign countries	--	746	1,510
Total for all foreign countries	--	58,801	195,165
	$31,405	$113,078	$345,759

A summary of long-lived assets by country of location is as follows:

	December 31,	
	1998	1999
	(In thousands of dollars)	
United States	$ 310,953	$2,220,468
Puerto Rico	14,473	21,191
Total domestic operations	325,426	2,241,659
United Kingdom	855,560	925,424
Other foreign countries	128	7,522
Total for all foreign countries	855,688	932,946
	$1,181,114	$3,174,605

Major Customers

For the years ended December 31, 1997, 1998 and 1999, CCUSA had revenues from a single customer amounting to $5,998,000, $14,168,000 and $16,872,000, respectively. For the years ended December 31, 1998 and 1999, consolidated net revenues include $33,044,000 and $97,520,000, respectively, from a single customer of CCUK.

Concentrations of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk are primarily cash and cash equivalents and trade receivables. The Company mitigates its risk with respect to cash and cash equivalents by maintaining such deposits at high credit quality financial institutions and monitoring the credit ratings of those institutions.

The Company derives the largest portion of its revenues from customers in the wireless telecommunications industry. In addition, the Company has concentrations of operations in certain geographic areas (including the United Kingdom and various regions in the United States). The Company mitigates its concentrations of credit risk with respect to trade receivables by actively monitoring the creditworthiness of its customers. Historically, the Company has not incurred any significant credit related losses.

14. RESTRUCTURING CHARGES

In connection with the formation of Crown Atlantic (see Note 2), the Company completed a restructuring of its United States operations during the first quarter of 1999. The objective of this restructuring was to transition from a centralized organization to a regionally-based organization in the United States. Coincident

with the restructuring, the Company incurred one-time charges of $1,814,000 related to severance payments for staff reductions, as well as costs related to non-cancelable leases of excess office space. At December 31, 1999, other accrued liabilities includes $331,000 related to these charges.

The Company completed a restructuring of its TeleStructures, Inc. operations in December 1999. The objective of this restructuring was to reduce the size of the TeleStructures, Inc. staff to a level which could be justified by its current operating volume. In connection with this restructuring, the Company incurred one-time charges totaling $3,831,000 related to severance payments for the staff reductions, the recognition of an impairment loss for the remaining goodwill from the acquisition (see Note 2) and other related costs. At December 31, 1999, other accrued liabilities includes $1,309,000 related to these charges.

15. QUARTERLY FINANCIAL INFORMATION (UNAUDITED)

Summary quarterly financial information for the years ended December 31, 1998 and 1999 is as follows:

	Three Months Ended			
	March 31	June 30	September 30	December 31
	(In thousands of dollars, except per share amounts)			
1998:				
Net revenues	$ 11,837	$ 11,530	$ 28,894	$ 60,817
Operating income (loss)	(2,494)	(2,197)	(12,006)	3,764
Net loss	(6,606)	(6,426)	(17,444)	(7,299)
Loss per common share--basic and diluted	(0.79)	(0.78)	(0.33)	(0.09)
1999:				
Net revenues	$ 55,109	$ 77,527	$ 98,927	$114,196
Operating income (loss)	(1,715)	1,124	202	2,250
Loss before cumulative effect of change in accounting principle	(13,473)	(20,850)	(27,067)	(32,957)
Cumulative effect of change in accounting principle	(2,414)	--	--	--
Net loss	(15,887)	(20,850)	(27,067)	(32,957)
Per common share - basic and diluted:				
Loss before cumulative effect of change in accounting principle	(0.21)	(0.22)	(0.23)	(0.27)
Cumulative effect of change in accounting principle	(0.03)	--	--	--
Net loss	(0.24)	(0.22)	(0.23)	(0.27)

16. SUBSEQUENT EVENTS (UNAUDITED)

Crown Castle GT

On January 31, 2000, the formation of Crown Castle GT took place with the first closing of towers (see Note 2). The Company contributed $223,870,000 in cash to Crown Castle GT, and GTE contributed 637 towers in exchange for a cash distribution of $198,870,000 from Crown Castle GT.

BellSouth and BellSouth DCS

On February 2, 2000, the Company closed on an additional 90 of the BellSouth towers (see Note 2). In connection with this closing, the Company paid $20,437,000 in cash and issued 441,925 shares of its common stock. On the same date, the Company closed on an additional 26 of the BellSouth DCS towers (see Note 2). In connection with this closing, the Company paid $10,662,000 in cash.

Crown Castle Australia Limited ("CCAL")

In March 2000, CCAL (a 66.7% owned subsidiary of the Company) entered into an agreement to purchase approximately 700 towers in Australia from Cable & Wireless Optus. The total purchase price for the towers will be approximately $135,000,000 in cash (Australian $220,000,000), and the purchase is expected to close in the second quarter of 2000. The Company will account for its investment in CCAL as a purchase of tower assets, and will include CCAL's results of operations and cash flows in the Company's consolidated financial statements for periods subsequent to the purchase date.

Bank Credit Facility

In March 2000, a subsidiary of the Company entered into a credit agreement with a syndicate of banks (the "2000 Credit Facility") which consists of two term loan facilities and a revolving line of credit aggregating $1,200,000,000. Available borrowings under the 2000 Credit Facility are generally to be used for the construction and purchase of towers and for general corporate purposes of CCUSA, Crown Castle GT and CCAL. The amount of available borrowings will be determined based on the current financial performance (as defined) of those subsidiaries' assets. In addition, up to $25,000,000 of borrowing availability under the 2000 Credit Facility can be used for letters of credit. The 2000 Credit Facility is secured by substantially all of the assets of CCUSA and CCAL, and the Company's pledge of the capital stock of those subsidiaries and Crown Castle GT. In addition, the 2000 Credit Facility is guaranteed by CCIC. The 2000 Credit Facility requires the borrowers to maintain certain financial covenants and includes restrictive covenants similar to those in the Senior Credit Facility (see Note 5).

On March 15, 2000, the Company used $83,375,000 in borrowings under the 2000 Credit Facility to repay outstanding borrowings and accrued interest under the Senior Credit Facility. The net proceeds from $316,625,000 in additional borrowing will be used to fund a portion of the purchase price for Crown Castle GT and for general corporate purposes. In the first quarter of 2000, CCI will record an extraordinary loss of approximately $1,653,000 consisting of the write-off of unamortized deferred financing costs related to the Senior Credit Facility.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The information required to be furnished pursuant to this item will be set forth in the 2000 Proxy Statement and is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION

The information required to be furnished pursuant to this item will be set forth in the 2000 Proxy Statement and is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information required to be furnished pursuant to this item will be set forth in the 2000 Proxy Statement and is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information required to be furnished pursuant to this item will be set forth in the 2000 Proxy Statement and is incorporated herein by reference.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a)(1) FINANCIAL STATEMENTS:

The list of financial statements filed as part of this report is submitted as a separate section, the index to which is located on page 56.

(a)(2) FINANCIAL STATEMENT SCHEDULE:

Schedule I--Condensed Financial Information of Registrant follows this Part IV. All other schedules are omitted because they are not applicable or because the required information is contained in the financial statements or notes thereto included in this Form 10-K.

(a)(3) EXHIBITS:

The Exhibits listed on the accompanying Index to Exhibits are filed as part of this Annual Report on Form 10-K.

(b) REPORTS ON FORM 8-K:

During the fourth quarter of 1999 we filed the following Reports on Form 8-K:

The Registrant filed a Current Report on Form 8-K dated September 14, 1999 and filed with the SEC on October 12, 1999 reporting (1) under Item 5 thereof the execution of an agreement with GECC under which GECC has agreed to purchase shares of the Company's Convertible Preferred Stock, and (2) under Item 7 thereof certain pro forma financial statements for the Company.

The Registrant filed a Current Report on Form 8-K dated November 7, 1999 and filed with the SEC on November 12, 1999 reporting under Item 5 thereof the execution of an agreement to form a joint venture with GTE.

The Registrant filed a Current Report on Form 8-K dated November 19, 1999 and filed with the SEC on December 13, 1999 reporting under Item 5 thereof the sale of the Company's Convertible Preferred Stock to GECC.

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Crown Castle International Corp.:

Under date of February 22, 2000, we reported on the consolidated balance sheets of Crown Castle International Corp. and subsidiaries as of December 31, 1999 and 1998 and the related consolidated statements of operations and comprehensive loss, cash flows and stockholders' equity (deficit) for each of the years in the three-year period ended December 31, 1999 as contained in the annual report on Form 10-K for the year ended 1999. In connection with our audits of the aforementioned consolidated financial statements, we also audited the related consolidated financial statement schedule as listed in the accompanying index. This financial statement schedule is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement schedule based on our audits.

In our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

KPMG LLP

Houston, Texas
February 22, 2000

CROWN CASTLE INTERNATIONAL CORP.

SCHEDULE I - CONDENSED FINANCIAL INFORMATION OF REGISTRANT

BALANCE SHEET (UNCONSOLIDATED)
(IN THOUSANDS OF DOLLARS, EXCEPT SHARE AMOUNTS)

	December 31,	
	1998	1999
ASSETS		
Current assets:		
Cash and cash equivalents	$ 37,907	$ 489,886
Receivables and other current assets	957	982
Advances to subsidiaries, net	13,711	98,020
Total current assets	52,575	588,888
Property and equipment, net of accumulated depreciation of $875 and $2,053 at December 31, 1998 and 1999, respectively	4,255	4,040
Escrow deposit for acquisition	--	50,000
Investment in subsidiaries	1,041,788	2,334,508
Deferred financing costs and other assets, net of accumulated amortization of $814 and $2,609 at December 31, 1998 and 1999, respectively	9,485	44,668
	$1,108,103	$3,022,104
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and other accrued liabilities	$ 1,379	$ 4,339
Accrued interest	--	6,907
Total current liabilities	1,379	11,246
Long-term debt	168,099	970,188
Total liabilities	169,478	981,434
Redeemable preferred stock, $.01 par value; 10,000,000 shares authorized: 12 3/4% Senior Exchangeable Preferred Stock; shares issued: December 31, 1998 - 200,000 and December 31, 1999 - 226,745 (stated at mandatory redemption and aggregate liquidation value)	201,063	227,950
8 1/4% Cumulative Convertible Redeemable Preferred Stock; shares issued: December 31, 1998 - none and December 31, 1999 - 200,000 (stated net of unamortized value of warrants; mandatory redemption and aggregate liquidation value of $200,000)	--	194,973
Total redeemable preferred stock	201,063	422,923
Stockholders' equity:		
Common stock, $.01 par value; 690,000,000 shares authorized:		
Common Stock; shares issued: December 31, 1998 - 83,123,873 and December 31, 1999 - 146,074,905	831	1,461
Class A Common Stock; shares issued: 11,340,000	113	113
Additional paid-in capital	795,153	1,805,053
Cumulative foreign currency translation adjustment	1,690	(3,013)
Accumulated deficit	(60,225)	(185,867)
Total stockholders' equity	737,562	1,617,747
	$1,108,103	$3,022,104

See notes to consolidated financial statements and accompanying notes.

CROWN CASTLE INTERNATIONAL CORP.

SCHEDULE I - CONDENSED FINANCIAL INFORMATION OF REGISTRANT (CONTINUED)

STATEMENT OF OPERATIONS (UNCONSOLIDATED)
(IN THOUSANDS OF DOLLARS)

	Years Ended December 31,		
	1997	1998	1999
Other revenues	$ 329	$ 399	$ --
Interest and other income (expense)	2,028	1,354	12,852
General and administrative expenses	(149)	(2,975)	(5,002)
Corporate development expenses	(3,867)	(4,404)	(4,579)
Non-cash compensation charges	--	(9,775)	(1,337)
Depreciation and amortization	(27)	(720)	(1,178)
Interest expense and amortization of deferred financing costs	(4,594)	(17,251)	(66,222)
Loss before income taxes, equity in earnings (losses) of subsidiaries and unconsolidated affiliate and cumulative effect of change in accounting principle	(6,280)	(33,372)	(65,466)
Provision for income taxes	(49)	--	--
Equity in earnings (losses) of subsidiaries	(4,475)	(6,458)	(30,985)
Equity in earnings (losses) of unconsolidated affiliate	(1,138)	2,055	--
Loss before cumulative effect of change in accounting principle	(11,942)	(37,775)	(96,451)
Cumulative effect of change in accounting principle for costs of start-up activities	--	--	(310)
Net loss	(11,942)	(37,775)	(96,761)
Dividends on preferred stock	(2,199)	(5,411)	(28,881)
Net loss after deduction of dividends on preferred stock	$(14,141)	$(43,186)	$(125,642)

See notes to consolidated financial statements and accompanying notes.

CROWN CASTLE INTERNATIONAL CORP.

SCHEDULE I - CONDENSED FINANCIAL INFORMATION OF REGISTRANT (CONTINUED)

STATEMENT OF CASH FLOWS (UNCONSOLIDATED)
(IN THOUSANDS OF DOLLARS)

	Years Ended December 31,		
	1997	1998	1999
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	$ (11,942)	$ (37,775)	$ (96,761)
Adjustments to reconcile net loss to net cash used for operating activities:			
Amortization of deferred financing costs and discounts on long-term debt	1,652	17,251	46,703
Equity in losses of subsidiaries	4,475	6,458	30,985
Non-cash compensation charges	--	9,775	1,337
Depreciation and amortization	27	720	1,178
Cumulative effect of change in accounting principle	--	--	310
Equity in losses (earnings) of unconsolidated affiliate	1,138	(2,055)	--
Increase in accrued interest	--	--	6,907
Increase (decrease) in accounts payable and other accrued liabilities	(103)	1,352	2,273
Decrease (increase) in receivables and other assets	551	(1,413)	(10,052)
Net cash used for operating activities	(4,202)	(5,687)	(17,120)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investment in subsidiaries	(89,989)	(332,065)	(930,082)
Net advances to subsidiaries	(2,223)	(11,100)	(84,309)
Escrow deposit for acquisition	--	--	(50,000)
Capital expenditures	(835)	(3,624)	(963)
Sale of (investments in) affiliates	(59,487)	--	739
Net cash used for investing activities	(152,534)	(346,789)	(1,064,615)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issuance of capital stock	139,867	339,929	805,771
Proceeds from issuance of long-term debt	150,010	--	757,206
Incurrence of financing costs	(5,908)	(1,755)	(28,025)
Dividends on preferred stock	--	--	(1,238)
Purchase of capital stock	(2,132)	(883)	--
Principal payments on long-term debt	(78,102)	--	--
Net cash provided by financing activities	203,735	337,291	1,533,714
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	46,999	(15,185)	451,979
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	6,093	53,092	37,907
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 53,092	$ 37,907	$ 489,886
SUPPLEMENTARY SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES:			
Issuance of common stock in connection with acquisitions	$ 57,189	$ 420,964	$ 397,710
Issuance of long-term debt in connection with acquisitions	78,102	--	--
Conversion of subsidiary's Convertible Secured Subordinated Notes to Series A Convertible Preferred Stock	3,657	--	--
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Interest paid	$ 2,943	$ --	$ 12,612
Income taxes paid	--	--	--

See notes to consoldiated financial statements and accompanying notes.

NOTES TO FINANCIAL STATEMENTS (UNCONSOLIDATED)

1. INVESTMENT IN SUBSIDIARIES

The Company's investment in subsidiaries is presented in the accompanying unconsolidated financial statements using the equity method of accounting. Under the terms of the Senior Credit Facility, the CCUK Credit Facility, the Crown Atlantic Credit Facility and the CCUK Bonds, the Company's subsidiaries are limited in the amount of dividends which can be paid to the Company. For CCUSA, the amount of such dividends is limited to (1) $6,000,000 per year until October 31, 2002, and $33,000,000 per year thereafter; and (2) an amount to pay income taxes attributable to the Company's Restricted Subsidiaries. CCUK and Crown Atlantic are effectively precluded from paying dividends. The restricted net assets of the Company's subsidiaries totaled approximately $1,003,701,000 at December 31, 1999.

2. LONG-TERM DEBT

Long-term debt consists of the Company's Debt Securities.

3. INCOME TAXES

Income taxes reported in the accompanying unconsolidated financial statements are determined by computing income tax assets and liabilities on a consolidated basis, for the Company and members of its consolidated federal income tax return group, and then reducing such consolidated amounts for the amounts recorded by the Company's subsidiaries on a separate tax return basis.

INDEX TO EXHIBITS
Item 14(a)(3)

Exhibit No.	Description of Exhibit
##2.1	Share Exchange Agreement among Castle Transmission Services (Holdings) Ltd., Crown Castle International Corp., TeleDiffusion de France International S.A., Digital Future Investments B.V. and certain shareholders of Castle Transmission Services (Holdings) Ltd. dated as of April 24, 1998
*2.2	Formation Agreement, dated December 8, 1998, relating to the formation of Crown Atlantic Company LLC, Crown Atlantic Holding Sub LLC, and Crown Atlantic Holding Company LLC
**2.3	Amendment Number 1 to Formation Agreement, dated March 31, 1999, among Crown Castle International Corp., Cellco Partnership, doing business as Bell Atlantic Mobile, certain Transferring Partnerships and CCA Investment Corp.
**2.4	Crown Atlantic Company LLC Operating Agreement entered into as of March 31, 1999 by and between Cellco Partnership, doing business as Bell Atlantic Mobile, and Crown Atlantic Holding Sub LLC
***2.5	Agreement to Sublease dated June 1, 1999 by and among BellSouth Mobility Inc., BellSouth Telecommunications Inc., The Transferring Entities, Crown Castle International Corp. and Crown Castle South Inc.
***2.6	Sublease dated June 1, 1999 by and among BellSouth Mobility Inc., Certain BMI Affiliates, Crown Castle International Corp. and Crown Castle South Inc.
2.7	Agreement to Sublease dated August 1, 1999 by and among BellSouth Personal Communications, Inc., BellSouth Carolinas PCS, L.P., Crown Castle International Corp. and Crown Castle South Inc.
2.8	Sublease dated August 1, 1999 by and among BellSouth Personal Communications, Inc., BellSouth Carolinas PCS, L.P., Crown Castle International Corp. and Crown Castle South Inc.
*****2.9	Formation Agreement dated November 7, 1999 relating to the formation of Crown Castle GT Company LLC, Crown Castle GT Holding Sub LLC, and Crown Castle GT Holding Company LLC
*****2.10	Letter Agreement dated November 7, 1999 between GTE Wireless Incorporated and Crown Castle International Corp.
2.11	Operating Agreement, dated January 31, 2000, by and between Crown Castle GT Corp. and affiliates of GTE Wireless Incorporated
###3.1	Restated Certificate of Incorporation of Crown Castle International Corp., dated August 21, 1998
###3.2	Amended and Restated By-laws of Crown Castle International Corp., dated August 21, 1998
###3.3	Certificate of Designations, Preferences and Relative, Participating, Optional and other Special Rights of Preferred Stock and Qualifications, Limitations and Restrictions thereof of 12 3/4% Senior Exchangeable Preferred Stock Due 2010 and 12 3/4% Series B Senior Exchangeable Preferred Stock Due 2010 of Crown Castle International Corp. filed with the Secretary of State of the State of Delaware on December 18, 1998
******3.4	Certificate of Designations, Preferences and Relative, Participating, Optional and Other Special Rights of Preferred Stock and Qualifications, Limitations and Restrictions thereof of Series A and Series B Cumulative Convertible Redeemable Preferred Stock of Crown Castle International Corp. filed with the Secretary of State of the State of Delaware on November 19, 1999
#4.1	Trust Deed related to (Pounds)125,000,000 9% Guaranteed Bonds Due 2007 among Castle Transmission (Finance) PLC, as Issuer, Castle Transmission International Ltd. and Castle Transmission Services (Holdings) Ltd., as Guarantors, and The Law Debenture Trust Corporation p.l.c., as Trustee, dated May 21, 1997
#4.2	First Supplemental Trust Deed related to (Pounds)125,000,000 9% Guaranteed Bonds Due 2007 among Castle Transmission (Finance) PLC, as Issuer, Castle Transmission International Ltd. and Castle Transmission Services (Holdings) Ltd., as Guarantors, and The Law Debenture Trust Corporation p.l.c., as Trustee, dated October 17, 1997

Exhibit No.	Description of Exhibit
#4.3	Indenture, dated as of November 25, 1997, between Crown Castle International Corp. and United States Trust Company of New York, as Trustee, relating to the 10 5/8% Senior Discount Notes Due 2007 (including exhibits)
#4.4	Article Fourth of Certificate of Incorporation of Castle Tower Holding Corp. (included in Exhibit 3.1)
##4.5	Specimen Certificate of Common Stock
###4.6	Indenture, dated as of December 21, 1998, between Crown Castle International Corp. and the United States Trust Company of New York, as Trustee, relating to the 12 3/4% Senior Subordinated Exchange Debentures Due 2010 (including exhibits)
####4.7	Indenture, dated as of May 17, 1999, between Crown Castle International Corp. and United States Trust Company of New York, as Trustee, relating to the 9% Senior Notes Due 2011 (including exhibits)
####4.8	Indenture, dated as of May 17, 1999, between Crown Castle International Corp. and United States Trust Company of New York, as Trustee, relating to the 10 3/8% Senior Discount Notes Due 2011 (including exhibits)
***4.9	Registration Rights Agreement dated June 1, 1999 between BellSouth Mobility Inc. and Crown Castle International Corp.
####4.10	Indenture, dated as of August 3, 1999, between Crown Castle International Corp. and United States Trust Company of New York, as Trustee, relating to the 9 1/2% Senior Notes Due 2011 (including exhibits)
####4.11	Indenture, dated as of August 3, 1999, between Crown Castle International Corp. and United States Trust Company of New York, as Trustee, relating to the 11 1/4% Senior Discount Notes Due 2011 (including exhibits)
******4.12	Deposit Agreement among Crown Castle International Corp. and the United States Trust Company of New York dated November 19, 1999
******4.13	Registration Rights Agreement among Crown Castle International Corp., the United States Trust Company of New York and SFG-P INC. dated November 19, 1999
******4.14	Warrant Agreement between Crown Castle International Corp. and the United States Trust Company of New York dated November 19, 1999
##10.1	Site Sharing Agreement between National Transcommunications Limited and The British Broadcasting Corporation dated September 10, 1991
##10.2	Transmission Agreement between The British Broadcasting Corporation and Castle Transmission Services Limited dated February 27, 1997
#10.3	Services Agreement between Castle Transmission International Ltd. (formerly known as Castle Transmission Services Ltd.) and Castle Tower Holding Corp. dated February 28, 1997
##10.4	Agreement for the Provision of Digital Terrestrial Television Distribution and Transmission Services between British Digital Broadcasting plc and Castle Transmission International Ltd. dated December 18, 1997
##10.5	Digital Terrestrial Television Transmission Agreement between The British Broadcasting Corporation and Castle Transmission International Ltd. dated February 10, 1998
##10.6	Contract between British Telecommunications PLC and Castle Transmission International Inc. for the Provision of Digital Terrestrial Television Network Distribution Service dated May 13, 1998
##10.7	Amending Agreement between the British Broadcasting Corporation and Castle Transmission International Limited dated July 16, 1998
##10.8	Commitment Agreement between the British Broadcasting Corporation, Castle Tower Holding Corp., TeleDiffusion de France International S.A. and TeleDiffusion de France S.A.
###10.9	Amended and Restated Services Agreement between Castle Transmission International Limited and TeleDiffusion de France S.A. dated August 1998
**10.10	Global Lease Agreement dated March 31, 1999 between Crown Atlantic Company LLC and Cellco Partnership, doing business as Bell Atlantic Mobile

Exhibit No.	Description of Exhibit
**10.11	Master Build to Suit Agreement dated March 31, 1999 between Cellco Partnership, doing business as BellAtlantic Mobile, and Crown Atlantic Company LLC
***10.12	Agreement to Build to Suit dated June 1, 1999 by and among BellSouth Mobility Inc., Crown Castle International Corp. and Crown Castle South Inc.
#10.13	Castle Tower Holding Corp. 1995 Stock Option Plan (Third Restatement)
##10.14	Crown Castle International Corp. 1995 Stock Option Plan (Fourth Restatement)
##10.15	Castle Transmission Services (Holdings) Ltd. All Employee Share Option Scheme dated as of January 23, 1998
##10.16	Rules of the Castle Transmission Services (Holdings) Ltd. Bonus Share Plan
###10.17	Employee Benefit Trust between Castle Transmission Services (Holdings) Ltd. and Castle Transmission (Trustees) Limited
##10.18	Castle Transmission Services (Holdings) Ltd. Unapproved Share Option Scheme dated as of January 23, 1998
##10.19	Deed of Grant of Option between Castle Transmission Series (Holdings) Ltd. and George Reese dated January 23, 1998
##10.20	Deed of Grant of Option between Castle Transmission Services (Holdings) Ltd. and David Ivy dated January 23, 1998
##10.21	Deed of Grant of Option between Castle Transmission Services (Holdings) Ltd. and David Ivy dated April 23, 1998
##10.22	Deed of Grant of Option between Castle Transmission Services (Holdings) Ltd. and Ted B. Miller, Jr., dated April 23, 1998
##10.23	Deed of Grant of Option between Castle Transmission Services (Holdings) Ltd. and Ted B. Miller, Jr., dated January 23, 1998
##10.24	Agreement among Castle Transmission Services (Holdings) Ltd., Digital Future Investments B.V., Berkshire Partners LLC and certain shareholders of Castle Transmission Services (Holdings) Ltd. for the sale and purchase of certain shares of Castle Transmission Services (Holdings) Ltd., for the amendment of the Shareholders Agreement in respect of Castle Transmission Services (Holdings) Ltd. and for the granting of certain options dated April 24, 1998
###10.25	Governance Agreement among Crown Castle International Corp., TeleDiffusion de France International S.A. and Digital Future Investments B.V., dated as of August 21, 1998
****10.26	Supplemental Agreement to the Governance Agreement among Crown Castle International Corp., TeleDiffusion de France International S.A., Digital Future Investments B.V., dated May 17, 1999
###10.27	Form of Severance Agreement entered into between Crown Castle International Corp. and Ted Miller, George Reese, John Gwyn, Charles Green, Alan Rees, Blake Hawk and David Ivy
###10.28	Shareholders Agreement among Crown Castle International Corp., TeleDiffusion de France International S.A. and Castle Transmission Services (Holdings) Limited dated August 1998
###10.29	Stockholders Agreement between Crown Castle International Corp. and certain stockholders listed on Schedule 1 thereto, dated as of August 21, 1998 as amended by Amendment No. 1, dated as of the 12th day of November, 1998
+10.30	Amendment Number Three, dated as of August 11, 1999, to the Stockholders Agreement between Crown Castle International Corp. and certain stockholders listed on Schedule 1 thereto, dated as of August 21, 1998
+10.31	Amendment Number Four, dated as of October 1, 1999, to the Stockholders Agreement between Crown Castle International Corp. and certain stockholders listed on Schedule 1 thereto, dated as of August 21, 1998
###10.32	Rights Agreement dated as of August 21, 1998, between Crown Castle International Corp. and ChaseMellon Shareholder Services L.L.C.
**10.33	Amendment No. 1 to Rights Agreement dated March 31, 1999, between Crown Castle International Corp. and ChaseMellon Shareholder Services L.L.C.

Exhibit No.	Description of Exhibit
**10.34	Loan Agreement dated as of March 31, 1999 by and among Crown Atlantic HoldCo Sub LLC, as the Borrower, Key Corporate Capital Inc., as Agent, and the Financial Institutions listed therein
10.35	Amendment to Loan Amendment Agreement, dated June 18, 1999, by and among Castle Transmission International Ltd., Castle Transmission Services (Holdings) Ltd., Millennium Communications Limited and the various banks and lenders listed as parties hereto.
10.36	Credit Agreement dated as of March 15, 2000 among Crown Castle Operating Company, Crown Castle International Corp., The Chase Manhattan Bank, Credit Suisse First Boston Corporation, Key Corporate Capital Inc. and The Bank of Nova Scotia, as Agents, and the several Lenders which are parties thereto
10.37	Amendment to Loan Amendment Agreement dated December 23, 1999 by and among Castle Transmission International, Ltd., Castle Transmission Services (Holdings) Ltd, Millennium Communications Limited and the various banks and lenders listed as parties thereto.
11	Statement re: Computation of Per Share Earnings
12	Computation of Ratios of Earnings to Fixed Charges and Earnings to Combined Fixed Charges and Preferred Stock Dividends
21	Subsidiaries of Crown Castle International Corp.
23	Consent of KPMG LLP
27	Financial Data Schedule

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Incorporated by reference to the exhibits with the corresponding exhibit numbers in the Registration Statement on Form S-4 previously filed by the Registrant (Registration No. 333-43873).

Incorporated by reference to the exhibits with the corresponding exhibit numbers in the Registration Statement on Form S-1 previously filed by the Registrant (Registration No. 333-57283).

* Incorporated by reference to the exhibit previously filed by the Registrant on Form 8-K (Registration No. 0-24737) dated December 9, 1998.

** Incorporated by reference to the exhibit previously filed by the Registrant on Form 8-K (Registration No. 0-24737) dated March 31, 1999.

Incorporated by reference to the exhibits with the corresponding exhibit numbers in the Registration Statement on Form S-4 previously filed by the Registrant (Registration No. 333-71715).

*** Incorporated by reference to the exhibit previously filed by the Registrant on Form 8-K (Registration No. 0-24737) dated June 9, 1999.

**** Incorporated by reference to the exhibit previously filed by the Registrant on Form 8-K (Registration No. 0-24737) dated July 22, 1999.

+ Incorporated by reference to the exhibit previously filed by the Registrant on Form 10-Q (Registration No. 0-24737) dated September 30, 1999.

Incorporated by reference to the exhibits with the corresponding exhibit numbers in the Registration Statement on Form S-4 previously filed by the Registrant (Registration No. 333-87765).

***** Incorporated by reference to the exhibit previously filed by the Registrant on Form 8-K (Registration No. 0-24737) dated November 7, 1999.

****** Incorporated by reference to the exhibit previously filed by the Registrant on Form 8-K (Registration No. 0-24737) dated November 19, 1999.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this Annual Report on Form 10-K to be signed on its behalf by the undersigned, thereunto duly authorized, on this 29th day of March, 2000.

CROWN CASTLE INTERNATIONAL CORP.

By: /s/ Charles C. Green, III
Charles C. Green, III
Executive Vice President and
Chief Financial Officer

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, this Annual Report on Form 10-K has been signed below by the following persons in the capacities indicated below on this 29th day of March, 2000.

Signature	Title
/s/ Ted B. Miller, Jr. Ted B. Miller, Jr.	Chief Executive Officer and Chairman of the Board (Principal Executive Officer)
/s/ David L. Ivy David L. Ivy	President and Director
/s/ Charles C. Green III Charles C. Green, III	Executive Vice President and Chief Financial Officer (Principal Financial Officer)
/s/ Wesley D. Cunningham Wesley D. Cunningham	Senior Vice President, Chief Accounting Officer and Corporate Controller (Principal Accounting Officer)
/s/ Carl Ferenbach Carl Ferenbach	Director
Michel Azibert	Director
Bruno Chetaille	Director
/s/ J. Landis Martin J. Landis Martin	Director

Signature	Title
/s/ Randall A. Hack Randall A. Hack	Director
/s/ Robert F. McKenzie Robert F. McKenzie	Director
/s/ William A. Murphy William A. Murphy	Director
/s/ Jeffrey H. Schutz Jeffrey H. Schutz	Director
/s/ Edward C. Hutcheson, Jr. Edward C. Hutcheson, Jr.	Director
/s/ William D. Strittmatter William D. Strittmatter	Director

EXHIBIT 2.7

CONFIDENTIAL

AGREEMENT TO SUBLEASE

by and among

BELLSOUTH PERSONAL COMMUNICATIONS, INC.,

BELLSOUTH CAROLINAS PCS, L.P.,

CROWN CASTLE INTERNATIONAL CORP.

and

CROWN CASTLE SOUTH INC.

AUGUST 1, 1999

TABLE OF CONTENTS

AGREEMENT TO SUBLEASE

THIS AGREEMENT TO SUBLEASE, made and entered into this 1st day of August, 1999 (the "AGREEMENT"), by and among BELLSOUTH PERSONAL COMMUNICATIONS, INC., a Delaware corporation ("BSPCI"), BELLSOUTH CAROLINAS PCS, L.P., a Delaware limited partnership (the "CAROLINAS PARTNERSHIP" and collectively with BSPCI, the "TRANSFERRING ENTITIES"), CROWN CASTLE INTERNATIONAL CORP., a Delaware corporation ("CCIC"), and CROWN CASTLE SOUTH INC., a wholly owned subsidiary of CCIC and a Delaware corporation ("TOWERCO"),

W I T N E S S E T H:

WHEREAS, the Transferring Entities are engaged in the business of, among other things, operating a wireless communications network in their licensed FCC territories in the states of Georgia, North Carolina, South Carolina, eastern Tennessee, eastern Georgia and portions of Virginia and Kentucky (collectively, the "TERRITORY") which network is comprised of PCS communications cell site locations as to which such Transferring Entities own fee simple title or a leasehold interest, leasehold estate or other real property interest; and

WHEREAS, CCIC, TowerCo and CCIC subsidiaries are engaged in the business of, among other things, developing, constructing, managing, maintaining, marketing, operating and leasing networks of communications tower facilities, including the management of cellular communications sites and networks owned by third party providers of wireless telecommunications services; and

WHEREAS, in order to optimize the utilization and value of the cell site locations and network within the Territory, the Transferring Entities desire to enter into an agreement relating to: (i) the design, construction and installation by TowerCo on certain cell site locations radio tower structures and other improvements pursuant to the terms and conditions of the Agreement to Build to Suit of even date herewith (the "BUILD-TO-SUIT AGREEMENT"), among BSPCI, CCIC and TowerCo; (ii) lease or sublease of certain cell site locations, including locations which are subject to the Build-to-Suit Agreement, by BSPCI and TowerCo pursuant to the terms and conditions of the Sublease of even date herewith (the "SUBLEASE"), among BSPCI, CCIC and TowerCo; (iii) marketing, maintenance and operation of certain cell site locations by TowerCo for the benefit of BSPCI and its Affiliates and other providers of wireless telecommunications services pursuant to the terms and conditions of the Site Maintenance Agreement (as defined in SECTION 1.1); and (iv) various other agreements with respect to the respective rights, duties and obligations of the parties relating to the subject matter hereof, all as more particularly described in and subject to the terms and conditions of this Agreement;

NOW, THEREFORE, for and in consideration of the premises, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE 1
DEFINITIONS

1.1 DEFINITIONS. For purposes of this Agreement, the following capitalized terms have the following respective meanings:

"ACTION" means any action, suit, litigation, complaint, counterclaim, claim, petition, mediation contest, or administrative proceeding, whether at law, in equity, in arbitration or otherwise, and whether conducted by or before any Government or other Person.

"AFFILIATE" of a Party means any individual or firm, corporation, partnership, limited liability company, association, trust or other entity which, whether directly or indirectly, Controls, is Controlled by, or is under common Control with the subject party.

"AGREEMENT" means this Agreement and the Exhibits and Schedules hereto, as any of the foregoing may, from time to time, be amended, modified or restated in accordance with the provisions hereof.

"AMENDMENT TO SITE MARKETING AGREEMENT" means Sixth (6th) Amendment to Site Marketing Agreement of even date herewith between Crown Communication Inc. and BSPCI.

"APPLICABLE TRANSFERRING ENTITIES" has the meaning given to such term in SECTION 11.1.

"BUILD-TO-SUIT AGREEMENT" has the meaning given to such term in Preamble.

"BSPCI AFFILIATE" has the meaning given to such term in the Sublease.

"BSPCI INDEMNIFIED LOSSES" has the meaning given to such term in SECTION 12.2(a).

"BSPCI INDEMNITEE" means BSPCI, its Affiliates, and the respective directors, officers, employees, contractors, subcontractors, advisors and consultants of BSPCI or any BSPCI Affiliate.

"BTS SITES" has the meaning given to such term in the Build-to-Suit Agreement.

"CAROLINAS PARTNERSHIP" has the meaning given to such term in the Preamble.

"CCIC INDENTURE" means the Indenture dated as of November 25, 1997 between CCIC and United States Trust Company of New York, as Trustee, and any modification, amendment or supplement thereto or replacement thereof.

"CLOSING(S)" has the meaning given to such term in SECTION 4.1(a).

"CLOSING DATE(S)" has the meaning given to such term in SECTION 4.1(a).

"CLOSING SCHEDULE" has the meaning given to such term in SECTION 4.1(a).

"COLOCATION AGREEMENTS" has the meaning given to such term in the Sublease.

"CONFIDENTIAL INFORMATION" has the meaning given to such term in SECTION 5.9(b).

"Consideration" has the meaning given to such term in SECTION 3.2(a).

"CONTROL" means the ownership, directly or indirectly, of sufficient voting shares of an entity, or otherwise the possession, directly or indirectly, 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.

"DEDUCTIBLE AMOUNT" has the meaning given to such term in SECTION 12.6(b).

"DISCLOSEE" has the meaning given to such term in SECTION 5.11(a).

"DISCLOSING PARTY" has the meaning given to such term in SECTION 5.11(a).

"DISCLOSURE SCHEDULE" has the meaning given to such term in SECTION 4.6(b).

"ENVIRONMENTAL LAWS" means all Laws and Orders in effect at the time of the applicable Closing, relating to the Hazardous Materials and/or protection of the environment from pollution or contamination.

"ENVIRONMENTAL CONDITIONS" means, as to each Site, any conditions or circumstances, including without limitation, the presence of Hazardous Materials, that (i) require abatement or correction under the Environmental Laws, (ii) give rise to any civil or criminal Liability under any Environmental Law relating to the use or occupancy of any Site or (iii) constitute a public or private nuisance.

"EXCLUDED SITES" means any Site excluded from the Sublease pursuant to the terms of this Agreement.

"EXISTING BUILD-TO-SUIT AGREEMENTS" has the meaning given to such term in the Build-to-Suit Agreement.

"EXISTING LEASES" means Existing Subleases under the Sublease.

"EXISTING SITES" means the Sites, the Towers and Improvements on which have been constructed and used by the Transferring Entities prior to the date hereof, as such Sites and Transferring Entities are listed in ANNEX A attached hereto, as may be amended from time to time.

"FAA" means the Federal Aviation Administration.

"FCC" means the Federal Communications Commission.

"FINAL CLOSING" has the meaning given to such term in SECTION 4.1(b).

"FINAL CLOSING DATE" has the meaning given to such term in SECTION 4.1(b).

"FORUM" means any federal, national, state, local, municipal or foreign court, governmental agency, administrative body or agency, tribunal, private alternative dispute resolution system, or arbitration panel.

"GAAP" means generally accepted accounting principles, consistently applied.

"GOVERNMENT" means any federal, state, territorial, county, municipal, local or other government or governmental agency or body or any other type of regulatory body, whether domestic or foreign, including without limitation the FCC and the FAA.

"GOVERNMENTAL PERMITS" means any and all governmental approvals, permits, licenses, registrations, certificates of occupancy, approvals and other governmental authorizations.

"GROUND LEASE" has the meaning given to such term in the Sublease.

"GROUND LESSOR" has the meaning given to such term in the Sublease.

"GROUND LESSOR CONSENT" has the meaning given to such term in SECTION 3.5(a).

"GROUND LESSOR CONSENT SITE" means any Site requiring a Ground Lessor Consent.

"GROUND RENT" has the meaning given to such term in the Sublease.

"HAZARDOUS MATERIALS" means and includes petroleum products, flammable explosives, radioactive materials, asbestos or any material containing asbestos, polychlorinated biphenyls, or any hazardous, toxic or dangerous waste, substance or material defined as such or defined as a hazardous substance or any similar term, by, in or for the purposes of the Environmental Laws, including, without limitation Section 101(14) of the Comprehensive Environmental Response, Compensation and Liability Act of 1980. The term Hazardous Materials excludes quantities of

materials or substances maintained by the applicable Transferring Entity on or about any of its Sites (including Tower and Improvements thereon) in the ordinary course of business, so long as such materials are maintained in accordance with the applicable Environmental Laws.

"HSR ACT" has the meaning given to such term in SECTION 5.10(a).

"IMPROVEMENTS" has the meaning given to such term in the Sublease.

"INCLUDED SITES" means any Existing Sites and BTS Sites that become subject to the Sublease.

"INDEMNIFIED LOSSES" means collectively, BSPCI Indemnified Losses and TowerCo Indemnified Losses.

"INDEMNIFIED PARTY" has the meaning given to such term in SECTION 12.4.

"INDEMNIFYING PARTY" has the meaning given to such term in SECTION 12.4.

"INITIAL CLOSING" has the meaning given to such term in SECTION 4.1(b).

"INITIAL CLOSING DATE" has the meaning given to such term in SECTION 4.1(b).

"KNOWN," "TO THE BEST KNOWLEDGE OF," or words of similar import means, as to each party hereto, the actual knowledge of any person who is part of the management of such party (and any person succeeding to any such position prior to the Final Closing but only to the extent they acquire actual knowledge).

"LAND" has the meaning given to such term in the Sublease.

"LAWS" means all federal, state, county, municipal and other governmental constitutions, statutes, ordinances, codes, regulations, resolutions, rules, requirements and directives and all decisions, judgments, writs, injunctions, orders, decrees or demands of courts, administrative bodies and other authorities construing any of the foregoing.

"LEASED SITE" means any Site that is leased, subleased or licensed to TowerCo pursuant to the Sublease.

"LIABILITY" means any liability or obligation whether asserted or unasserted, absolute or contingent, accrued or unaccrued, liquidated or unliquidated and whether due or to become due.

"LIENS" means an interest or a claim by a Person other than a Transferring Entity or its Affiliates, whether such interest or claim is based on the common law, statute, or contract, including, without limitation, liens, charges, claims, security interests, pledges, Mortgages,

leases, licenses, conditional agreements, title retention agreements, preference, priority or other security agreements or preferential arrangements of any kind, reservations, exceptions, encroachments, easements, rights-of-way, covenants, conditions, restrictions and other title exceptions and encumbrances affecting all or any part of Land, the Tower and Improvements thereon.

"MAINTAINED SITES" means Sites which become subject to the Site Maintenance Agreement contemporaneously with the execution of the Site Maintenance Agreement or at any time thereafter in accordance with the Site Maintenance Agreement, and shall include Revenue Sharing Sites and Ground Lessor Consent Sites.

"MATERIAL ADVERSE EFFECT" means as to any Site, a material adverse effect on any Transferred Interest granted by the Transferring Entity in respect of such Site.

"MAXIMUM INDEMNIFICATION" has the meaning given to such term in SECTION 12.6(c).

"MORTGAGES" means any recorded mortgage, deed to secure debt, deed of trust, trust deed or other conveyance of, or encumbrance against the Sites or the Transferred Interests as security for any debt.

"OBLIGATIONS" has the meaning given to such term in SECTION 5.15(a).

"ORDERS" means all applicable orders, writs, judgments, decrees, rulings, consent agreements, and awards of or by any Forum or entered by consent of the party to be bound.

"OWNED SITE" means any Site that is owned by BSPCI or the Carolinas Partnership.

"PERSON" means an individual, partnership, joint venture, limited liability company, association, corporation, trust or any other legal entity.

"PERMITTED LIENS" means: (i) statutory liens for current real or personal property taxes not yet due and payable; (ii) worker's, carrier's and materialman's liens incurred in the ordinary course of business related to obligations not yet due and payable; (iii) easements, rights of way or similar grants of rights to a third party for access to or across any Site, including, without limitation, rights of way or similar rights granted to any utility or similar entity in connection with the provision of electric, telephone or similar services; (iv) Colocation Agreements; (v) Existing Leases; (vi) liens that are immaterial in character, amount or extent, or that do not materially detract from the value and interfere in any material respect with the Permitted Use of any Site; (vii) restrictions and conditions due to zoning laws and regulations; and (viii) reservations, restrictions, limitations, conditions and other liens of public record.

"PERMITTED USE" has the meaning given to such term in the Sublease.

"PREPAID EXPENSES" means any and all prepaid items, unbilled costs and fees, and rents, revenues, payments, accounts, notes and other receivables under any service contracts, Existing Leases, Colocation Agreements as of the applicable Closing Date.

"QUALIFYING INTEREST" means any possessory interest in real property held by a Transferring Entity that is capable of being transferred to TowerCo as a Transferred Interest consistent with the terms of the Sublease in all material respects.

"REAL ESTATE REPRESENTATION" means (i) any real estate representation or warranty made by any Transferring Entity in SECTIONS 6.1 through 6.5, or (ii) a representation or warranty made by any Transferring Entity in any of SECTIONS 6.6, 6.7, 6.8, 6.9, 6.10, 6.11, 6.12 or 6.13.

"RESERVED SPACE" has the meaning given to such term in the Sublease.

"RETURNS" has the meaning given to such term in SECTION 6.9.

"REVENUE SHARING SITES" means any Site whose Ground Lease provides that the ground lessee thereunder is required to share with the Ground Lessor a percentage of revenues from the subleasing of the Site.

"SITE MAINTENANCE AGREEMENT" means the Site Maintenance Agreement to be entered into by and among Crown Network Systems, Inc. and the Transferring Entities.

"SITES" means all cell tower sites that are owned or leased by the Transferring Entities located within the Territory that are now or hereafter subject to the Transaction Documents, excluding without limitation any Sites that are the subject of the Existing Build to Suit Agreements. Sites shall include Existing Sites, BTS Sites, Excluded Sites and Maintained Sites. The term "Sites" excludes (i) any and all cell tower sites that are the subject of the Agreement to Sublease dated as of June 1, 1999 among BellSouth Mobility Inc, BellSouth Telecommunications, Inc., CCIC and TowerCo, (ii) any Sites excluded from this transaction by the rural telephone companies which are limited partners in the Carolinas Partnership, and (iii) any Sites funded by such rural telephone companies under a Coverage Extension Agreement.

"SUBLEASE" has the meaning given to such term in the Preamble.

"SUBLEASED PROPERTY" has the meaning given to such term in the Sublease.

"SURVIVAL PERIOD" has the meaning given to such term in SECTION 12.8.

"TAXES" means all taxes, duties, charges, fees, levies or other assessments imposed by any taxing authority, whether domestic or foreign, including, without limitation, income (net, gross or other including recapture of any tax items such as investment tax credits), alternative or add-on minimum tax, capital gains, gross receipts, value-added, excise, withholding, personal

property, real estate, sale, use, ad valorem, license, lease, service, severance, stamp, transfer, payroll, employment, customs, duties, alternative, estimated and franchisee taxes (including any interest, levies, charges, penalties or additions attributable to or imposed on or with respect to any such assessment).

"TERMINATION FEE" has the meaning given to such term in SECTION 13.1(b).

"TERRITORY" has the meaning given to such term in the Preamble.

"TOWER" has the meaning given to such term in the Sublease.

"TOWERCO INDEMNIFIED LOSSES" has the meaning set forth in SECTION 12.1(a).

"TOWERCO INDEMNITEES" means TowerCo, its Affiliates, and the respective directors, officers, employees, agents, subcontractors, advisors and consultants of TowerCo or its Affiliates (except BSPCI, any BSPCI Affiliate and any contractors, subcontractors, advisors and consultants of BSPCI).

"TOWERCO SHARES" has the meaning given to such term in SECTION 7.2(a).

"TRANSFERRING ENTITIES" has the meaning given to such term in the Preamble.

"TRANSFERRED INTERESTS" has the meaning given to such term in SECTION 3.1(a).

"TRANSACTION DOCUMENTS" means collectively this Agreement, the Sublease, the Build-to-Suit Agreement, the Site Maintenance Agreement and each of the other documents and agreements listed in ARTICLES 4, 10 and 11.

1.2 OTHER CAPITALIZED TERMS. Any other capitalized terms used in this Agreement shall have the respective meanings given to them elsewhere in this Agreement.

ARTICLE 2
AGREEMENT DOCUMENTS

This Agreement shall consist of the following documents, as amended from time to time as provided herein:

(A) this Agreement document;

(B) the following Exhibits:

Exhibit A	Assignment And Assumption Agreement
Exhibit B	Proration

(C) such additional documents as are incorporated by reference, including without limitation the Schedules attached hereto and each Disclosure Schedule provided by the Transferring Entities.

If any of the foregoing are inconsistent, this Agreement shall prevail over Exhibits and additional incorporated documents.

ARTICLE 3
CONVEYANCE AND CONSIDERATION

3.1 CONVEYANCE. (a) Subject to the terms and conditions of this Agreement, each Transferring Entity agrees to grant, convey and deliver to TowerCo, and TowerCo agrees to take and accept from such Transferring Entity, at the Closings, a leasehold, subleasehold interest, or other interest consistent with the terms of the Sublease, as applicable, in and to the Subleased Property of all of the Existing Sites and BTS Sites which the applicable Transferring Entity is not legally precluded from leasing or subleasing to TowerCo, as more particularly described in the Sublease and applicable Site Designation Supplements (collectively, the "TRANSFERRED INTERESTS").

(b) Notwithstanding anything to the contrary contained in SECTION 3.1(a), the Transferred Interests shall not include, without limitation, any of the following: (i) the Reserved Space of the Included Sites; (ii) BSPCI's or its Affiliate's Improvements on the Included Sites; (iii) any equipment or transmissions systems used for the remote monitoring of the Included Sites; (iv) any and all rights that accrue or will accrue to any Transferring Entity under the Transaction Documents, including, without limitation, the Consideration; (v) any and all rights retained by and/or granted to any Transferring Entity pursuant to the Transaction Documents; and (vi) the Excluded Sites.

3.2 CONSIDERATION. (a) Subject to the prorations and adjustments set forth in this ARTICLE 3, the aggregate consideration for the Transferred Interests (the "CONSIDERATION"), based on 773 Existing Sites, shall be equal to $316,930,000 in cash.

(b) At each Closing, TowerCo shall pay the applicable Transferring Entity (A) $410,000 in Cash multiplied by (B) the number of the Included Sites being conveyed at such Closing.

(c) Each payment under SECTION 3.2 shall be made by wire transfer of immediately available funds through the Federal Reserve System to an account designated in writing by BSPCI.

3.3 MAINTAINED SITES. Subject to the right of a Transferring Entity to defer the Closing of a Site until a later Closing under SECTION 4.6, if at any Closing a Transferring Entity is unable to

deliver to TowerCo the Transferred Interest with respect to any Site as a result of such Transferring Entity's failure to satisfy any condition set forth in SECTION 11.5, TowerCo does not waive that condition, and such Site does not become a leased or a subleased Site pursuant to the Sublease on or prior to the Final Closing, then for purposes of this Agreement, such Site shall at the Transferring Entity's option, to be exercised by such Transferring Entity's written notice to TowerCo on or prior to the applicable Closing, either (i) become an Excluded Site or (ii) become subject to the Site Maintenance Agreement in which case such Site shall become a Maintained Site under the Site Maintenance Agreement pursuant to the execution by the applicable Transferring Entity and TowerCo of one or more Addenda to the Site Maintenance Agreement; provided, however, that, if as of the applicable Closing the only unsatisfied and unwaived condition is the absence of any required consent of the Ground Lessor, such Site shall be deferred until such a consent is received; provided, further, that, if as of the Final Closing the parties have not obtained such consent, such Site shall be a Maintained Site or an Excluded Site, at the Transferring Entity's option as provided herein. For purposes of determining the Consideration pursuant to SECTION 3.2, Sites that become Maintained Sites pursuant to this SECTION 3.3 or Excluded Sites pursuant to SECTION 4.6, 5.3 OR 5.4 shall not constitute an Included Site.

3.4 PRORATION. (a) At each Closing, the following items shall be apportioned between the Transferring Entity and TowerCo: (i) federal, state, local or foreign Taxes (other than income taxes) payable with respect to the Transferred Interests of Included Sites; and (ii) the other items set forth in EXHIBIT B attached hereto. Such apportionments shall be made pro rata on a per diem basis as of each Closing Date so that all such Taxes and other payments attributable to the period prior to such Closing Date shall be for the account of the Transferring Entity, and all such Taxes and other payments attributable to the period from and after such Closing Date shall be for the account of TowerCo. Notwithstanding anything to the contrary in this Agreement, all up-front, bolt-on or attachment fees or payments and escrow amounts related to Existing Leases paid prior to the applicable Closing shall remain with the applicable Transferring Entity.

(b) In the event that the amount of any item to be prorated is not determinable at the time of each Closing, such proration shall be made on the basis of the best available information, and the applicable Transferring Entity and TowerCo shall re-prorate such item promptly upon receipt of the applicable bills therefor and shall make between themselves any equitable adjustment required by reason of any difference between the estimated amount used as a basis for the proration at each Closing and the actual amount subject to proration. In the event any prorated item is due and payable at the time of a Closing, the same shall be paid at such Closing. If any prorated item is not paid at a Closing, and either party has identified that item at Closing as a properly prorated item, the applicable Transferring Entity shall deliver to TowerCo the bills therefor promptly upon receipt thereof and TowerCo shall be responsible for the payment of TowerCo's pro rata share in full thereof within the time fixed for payment thereof and before the same becomes delinquent, provided that TowerCo's obligation to make such payment before it has become delinquent is subject to TowerCo's having received the bill therefor in a sufficiently timely manner. In no event shall TowerCo be responsible for any

prorated item about which TowerCo receives notice more than eighteen (18) months following the applicable Closing.

3.5 CONSENTS UNDER GROUND LEASES.

(a) Notwithstanding anything to the contrary in this Agreement, if the Ground Lessor with respect to any particular Site refuses to give its consent to BSPCI's subleasing of such Site to TowerCo and TowerCo's subsequent subleasing of portions of such Site to third parties (each, a "GROUND LESSOR CONSENT"), all pursuant to the Sublease, then BSPCI may, in its sole discretion, offer to such Ground Lessor, as an inducement to give such consent, an increase in the Ground Rent. If the proposed increase of the Ground Rent as to any Site is equal to or less than 25% of the then current Ground Rent (which then current Ground Rent is based on all then recurring monthly payments, it being understood that after the Ground Rent is increased, all future adjustments in the nature of annual or other recurring increases and/or existing revenue sharing arrangements shall apply to such increased Ground Rent) and such offer is accepted by the applicable Ground Lessor, then BSPCI shall give CCIC written notice of such increase promptly thereafter and CCIC shall accept such Site and such Site shall become subject to the Sublease. If the applicable Ground Lessor will agree to grant its consent to BSPCI's sublease of the Site to TowerCo and TowerCo's subsequent sublease of portions of the Site to third parties only if BSPCI is willing to increase the Ground Rent under the applicable Ground Lease by more than twenty-five percent (25%) of the then current Ground Rent (which then current Ground Rent is based on all then recurring monthly payments, it being understood that after the Ground Rent is increased, all future adjustments in the nature of annual or other recurring increases and/or existing revenue sharing arrangements shall apply to such increased Ground Rent), then TowerCo will have (i) the right to participate in any subsequent discussions with the applicable Ground Lessor regarding the obtaining of its consent and (ii) an option, exercisable within ten (10) days of receipt of notice from BSPCI to cause such Site not to become subject to the Sublease, in which event such Site shall constitute a Maintained Site.

(b) If the parties are unable to obtain any Ground Lessor Consent by the applicable Closing, the parties shall continue using commercially reasonable efforts to obtain such Ground Lessor Consent in accordance with SECTION 3.5(a); provided, that if the parties subsequently obtain such Ground Lessor Consent as to any Site, the Closing for such Site shall take place at the Closing next succeeding the date on which such Ground Lessor Consent is obtained, or, if the Final Closing has occurred, within six (6) months after the Final Closing at a time agreed by the parties; provided further, no Closings for such Sites shall occur after the expiration of such six (6) month period, unless the parties otherwise agree.

(c) In pursuing any Ground Lessor Consent for any Site pursuant to SECTION 3.5(a), BSPCI may not offer to the Ground Lessor any right to share in revenues received by TowerCo from such Site unless the maximum amount of shared revenues would not exceed twenty-five percent (25%) of the then-current base Ground Rent for such Site.

ARTICLE 4
CLOSINGS

4.1 CLOSINGS. (a) Subject to prior termination of this Agreement by BSPCI pursuant to ARTICLE 14, the consummation of the transfer and conveyance of the Transferred Interests and other transactions contemplated by this Agreement shall occur in multiple closings (individually, a "CLOSING", and collectively, the "CLOSINGS"), and each such Closing shall take place at the offices of Kilpatrick Stockton LLP, Suite 2800, 1100 Peachtree Street, Atlanta, Georgia 30309-4530, at such times and on such dates (each, the "CLOSING DATE"), as specified in the closing schedule set forth in SCHEDULE 4.1 attached hereto, as modified pursuant to the terms hereof (the "CLOSING SCHEDULE").

(b) Notwithstanding anything to the contrary contained herein, the parties acknowledge and agree that each Closing shall be subject to the provisions of ARTICLES 10 and 11 of this Agreement and shall take place after all the conditions set forth in such ARTICLES 10 and 11 have been satisfied or waived. The parties further acknowledge that the initial Closing (the "INITIAL CLOSING") shall be effective August 1, 1999, with funding to occur on such date as the parties agree (the "INITIAL CLOSING DATE"), and thereafter each Closing shall take place as provided in the Closing Schedule; provided, however, that in no event shall the final Closing (the "FINAL CLOSING") occur later than on December 31, 1999 (the "FINAL CLOSING DATE").

(c) The parties shall use commercially reasonable efforts to include in the Initial Closing at least two hundred fifty (250) Sites, whether as an Included Site, Excluded Site or Maintained Site, including, without limitation, any Sites deferred pursuant to SECTION 3.3 or 4.6 from the previous Closings.

4.2 TRANSACTIONS AND DOCUMENTS AT THE CLOSINGS. (a) At each Closing:

(i) TowerCo shall pay the applicable Consideration in respect of all of the Transferred Interests being conveyed at such Closing;

(ii) Each of CCIC and TowerCo shall execute and deliver to the applicable Transferring Entity any and all documents and instruments relating to the acceptance of the Transferred Interest of each of its Included Sites, including, without limitation, (A) Site Designation Supplements with respect to Transferred Interests of the Included Sites being conveyed at such Closing, (B) an assignment and assumption agreement in substantially the form attached hereto as EXHIBIT A (each, an "ASSIGNMENT AND ASSUMPTION AGREEMENT") relating to the assignment of the Existing Leases affecting the Included Sites subject to such Closing; (C) if required, an Addendum to the Site Maintenance Agreement reflecting any additions of Sites to the Maintained Sites pursuant to SECTION 3.3 and any additional Transferring Entities; and (E) such other documents, certificates, agreements and other papers as set forth in ARTICLE 10 or may be necessary or convenient to

effectuate the consummation of the transactions contemplated by this Agreement and other Transaction Documents, and its purposes and intent.

(iii) Each Transferring Entity shall execute and deliver to TowerCo any and all documents and instruments relating to the transfer of the Transferred Interest of each Included Site, including, without limitation, (A) all consents, authorizations and approvals in respect of the Included Sites that are necessary for the consummation of each Closing, including any and all required consents of Ground Lessors and Governmental Permits; (B) the Assignment and Assumption Agreement relating to assignment of the Existing Leases affecting the Included Sites subject to such Closing; (C) Site Designation Supplements with respect to the Transferred Interests of Included Sites being conveyed at such Closing; (D) if required, one or more Addenda to the Site Maintenance Agreement reflecting any additions of Sites to the Maintained Sites pursuant to SECTION 3.3; (E) a receipt for the Consideration delivered to it at such Closing; and (F) such other documents, certificates, agreements and other papers as set forth in ARTICLE 11 or may be necessary or convenient to effectuate the consummation of the transactions contemplated by this Agreement and other Transaction Documents, and its purposes and intent.

(b) In addition to and not in limitation of SECTION 4.2(a):

(i) At the Initial Closing, TowerCo, CCIC and BSPCI (for itself and on behalf of the Carolinas Partnership) shall execute and deliver the Sublease;

(ii) At the Initial Closing, TowerCo, CCIC and BSPCI (for itself and on behalf of the Carolinas Partnership) shall execute and deliver the Build-to-Suit Agreement; and

(iii) On or prior to the Initial Closing, TowerCo, BSPCI (for itself and on behalf of the Carolinas Partnership) shall execute and deliver the Site Maintenance Agreement.

4.3 COSTS OF CLOSING. Except as otherwise provided in the Transaction Documents, the applicable Transferring Entity shall be responsible for and pay any and all transfer taxes and routine closing costs and expenses, including, without limitation, (i) any transfer Tax payable on the transfer, if any, and (ii) all recording costs relating to any title clearance matters, if any, it being understood and agreed that such recording costs shall not include recording costs for which CCIC is responsible under SECTION 5.12(c). Notwithstanding anything to the contrary contained herein, (i) any fees, costs and expenses incurred by or on behalf of TowerCo for the services ordered or requested by TowerCo for which such Transferring Entity is not liable under the Transaction Documents shall be the responsibility of and shall be paid for by TowerCo and (ii) any fees, costs and expenses incurred by or on behalf of any Transferring Entity for services ordered or requested

by such Transferring Entity for which such Transferring Entity is expressly liable under the Transaction Documents shall be the responsibility of and shall be paid for by such Transferring Entity.

4.4 FURTHER ASSURANCES; CORRECTIONS. (a) At each Closing, and from time to time thereafter, each Transferring Entity shall do all such additional and further acts, and shall execute and deliver all such additional and further instruments, certificates and documents, as TowerCo may reasonably require fully to vest in and assure to TowerCo full right, title and interest in and to the Transferred Interests to the full extent contemplated by this Agreement and otherwise to effectuate the consummation of the transactions contemplated by this Agreement. Each of the parties hereto will cooperate with the others and execute and deliver to the other parties such other instruments and documents and take such other actions as may be reasonably requested from time to time by any other party as necessary to carry out, evidence and confirm the intended purposes of this Agreement.

(b) If in the review of any Site Designation Supplement either party identifies any corrections that in either party's judgment necessitate further revisions to EXHIBIT B, C or D to such Site Designation Supplement, the parties may at either party's request effect the correction by SE Technologies of such EXHIBIT B, C or D, and defer the recordation of such Site Designation Supplement until such revisions are made, for up to thirty (30) days.

(c) In addition, with respect to the Included Sites, the parties shall have the right to review and make corrections, if necessary, to any and all exhibits to the Site Designation Supplements applicable to such Included Sites after the applicable Closing. After making any such corrections, TowerCo shall re-record any such Site Designation Supplements to reflect such corrections, if requested by the applicable Transferring Entity.

(d) If after any Closing any party discovers that the name of the Transferring Entity as set forth in any Site Designation Supplement is incorrect, the applicable Transferring Entity shall re-execute such Site Designation Supplement in such a manner as to correct such name, and TowerCo shall re-record such Site Designation Supplement, unless the parties agree that such re-recordation is not necessary. The foregoing obligation shall survive the Closing in respect of which such Site Designation Supplement was executed for a period of six (6) months.

(e) The Transferring Entity shall have the right, at its sole expense, to cause any amendment to the Site Designation Supplement to be recorded. In addition, the parties shall cooperate with each other to cause changes to be made in the documentation for any Site, and in the Site Designation Supplement for such Site, if such changes are requested by the Transferring Entity to evidence any permitted changes in the Reserved Space or Transferred Interest respecting such Site, including without limitation changes in such Transferring Entity's antennas or other parts of its Communications Facility at such Site. Such obligation shall survive any Closing without limitation.

4.5 FIELD INSPECTION. After the applicable Closing Date, CCIC shall, or may cause its agent to, collect data relating to the Existing Sites, sufficient to confirm that such Existing Sites have been adequately described and EXHIBITS B, C and D for all Site Designation Supplements relating to such Existing Sites have been properly prepared. CCIC shall pay all the fees and expenses of any such agent. BSPCI shall cooperate with CCIC to coordinate any such field inspection. CCIC shall notify BSPCI of the results of any such field inspection, promptly after receiving the results thereof. The Transferring Entities may also collect similar data relating to the Existing Sites. CCIC shall, or shall cause such agent to, make such changes in its documentation as may be requested by the applicable Transferring Entity to effect any correction, whether before or after the applicable Closing. Such obligation shall survive the applicable Closing until six (6) months after the Final Closing. The parties agree that, as between the parties, the description of Existing Sites shall be sufficient to adequately describe the Transferred Interests, and agree to effect changes and corrections requested by a party consistent with that objective. In addition, where any discrepancy in EXHIBITS B, C or D requires verification in the field, including without limitation verification as to the number of antennas, height of antennas, location of antennas or location of antenna mounting hardware, the parties shall provide adequate resources and personnel to resolve such discrepancy within thirty (30) days after the applicable Closing.

4.6 DEFERRAL OF CLOSINGS; UPDATING OF REPRESENTATIONS. (a) Each Transferring Entity will have the right to defer the Closing as to any Site to a later Closing by virtue of (i) the failure of such Site to satisfy any condition to the obligations of CCIC or TowerCo respecting such Site (including without limitation the failure to obtain any Ground Lessor Consent, as contemplated by SECTION 3.5) or (ii) the breach by the applicable Transferring Entity of any Real Estate Representation as to such Site. If, by the Final Closing, the applicable Transferring Entity fails, after the exercise of reasonable efforts, to cause any such unsatisfied (and unwaived) condition to be satisfied or to cure any such (unwaived) breach of a Real Estate Representation, such Site shall constitute an Excluded Site or Maintained Site pursuant to and as provided in SECTION 3.3. CCIC shall notify BSPCI prior to the applicable Closing of any Site that it believes does not satisfy any condition in this Agreement to its obligations to acquire the Transferred Interest in such Site, including without limitation by virtue of a breach of a Real Estate Representation as to such Site. The applicable Transferring Entity will have the right to cure any such breach of a representation, warranty or covenant and/or remedy such condition, and defer the Closing of such Site to facilitate such cure, as provided above.

(b) As soon as reasonably practicable prior to the date scheduled for any Closing in the Closing Schedule, the applicable Transferring Entity shall disclose in writing any material information, known to such Transferring Entity without additional inquiry, that is required to (x) be provided pursuant to any representation or warranty made by a Transferring Entity pursuant to ARTICLE 6 or (y) cause any Real Estate Representation with respect to any Existing Site to be true and correct in all material respects and would modify, amend or supplement such Real Estate Representation, including without limitation: (i) to set forth exceptions to any such representations and warranties, where such exceptions were not theretofore set forth in this Agreement or any Schedule hereto, or (ii) to reflect any lease,

sublease or license that becomes an Existing Lease entered into after the date of this Agreement in the ordinary course of business consistent with past practices and matters related thereto. The applicable Transferring Entity shall provide any such disclosure that relates to such Transferring Entity and does not constitute a Real Estate Representation prior to the first Closing in which any Sites of such Transferring Entity is included. Any such disclosure shall be deemed to create and constitute a portion of, and all such disclosures together shall be, the "DISCLOSURE SCHEDULE". Any Existing Site in respect of which the applicable Transferring Entity makes any disclosure pursuant to this SECTION 4.6(b) may, at CCIC's option, be deferred to a later Closing Date pursuant to SECTION 4.6(a), where the matters so described would have a Material Adverse Effect on such Existing Site. The sole remedy of CCIC and TowerCo in respect of any such disclosure as to any Site shall be to cause such Site to be a Maintained Site pursuant to SECTION 3.3 or, at the applicable Transferring Entity's option pursuant to SECTION 4.6, to be an Excluded Site hereunder or to defer the Closing for such Site to a later Closing Date.

4.7 RE-RECORDATION. Whenever in this Agreement either party is required or has the right to record or re-record any document, including without limitation any Site Designation Supplement, Ground Lease or a memorandum thereof, TowerCo shall, or shall cause the agent effecting such recordation to, deliver a copy of the document to the other party promptly after receipt thereof, and in any event contemporaneously with its first delivery thereof to the recording party.

4.8 TITLE SEARCHES. For each Closing, TowerCo shall (i) cause a national title insurance company with licensed agents in each part of the Territory to cause a full title search to be undertaken as to each Site in such part of the Territory for which BSPCI does not have a recent title search or report and (ii) may cause such a title insurance company to cause a bring-down of existing title searches or reports on Sites for which BSPCI has a recent title search, report or bring-down. TowerCo shall deliver copies of each such title search to BSPCI not less than ten (10) days prior to the date scheduled for such Closing in the Closing Schedule, and in any event contemporaneously with the delivery of such searches to any Crown Affiliate or agent of any Crown Affiliate. Each Transferring Entity whose Sites are covered by the foregoing obligation shall provide access to any documents reasonably available to it, to the extent necessary to facilitate such title search.

ARTICLE 5
ADDITIONAL AGREEMENTS

5.1 EXPENSES. (a) Except as otherwise provided herein, all expenses incurred by TowerCo in connection with the negotiations among the parties, and the authorization, preparation, execution and performance of the Transaction Documents and the transactions contemplated hereby shall be paid by TowerCo.

(b) Except as otherwise provided herein, all expenses incurred by CCIC in connection with the negotiations among the parties, and the authorization, preparation, execution

and performance of the Transaction Documents and the transactions contemplated hereby shall be paid by CCIC.

(c) Except as otherwise provided herein, all expenses incurred by the Transferring Entities in connection with the negotiations among the parties, and the authorization, preparation, execution and performance of the Transaction Documents and the transactions contemplated hereby shall be paid by the Transferring Entities; provided that BSPCI may allocate a pro rata portion of fees, costs and expenses that are not specific to its Sites to the Carolinas Partnership, based on its percentage of all Included Sites.

5.2 BROKERS. Each Transferring Entity hereby represents and warrants to TowerCo that no broker or finder has acted on its behalf in connection with this Agreement or the transactions contemplated herein and agrees to indemnify TowerCo Indemnitees from and against any and all claims or demands for commissions or other compensation by any broker, finder or similar agent claiming to have been employed by or on behalf of BSPCI. CCIC and TowerCo, jointly and severally, hereby represent and warrant to each Transferring Entity that no broker or finder has acted on their behalf or on behalf of any of them in connection with this Agreement or the transactions contemplated herein and each of them agrees, jointly and severally, to indemnify BSPCI Indemnitees from and against any and all claims or demands for commissions or other compensation by any broker, finder or similar agent claiming to have been employed by or on behalf of the CCIC and TowerCo.

5.3 RISK OF LOSS AND INSURANCE. Between the date of this Agreement and each Closing, the risks and obligations of ownership and loss of the Transferred Interests with respect to the Sites subject to such Closing and the correlative rights against insurance carriers and third parties shall belong to the applicable Transferring Entity. In the event of the damage or destruction of all or a substantial portion of the Transferred Interests prior to any Closing, the affected Sites shall become Excluded Sites and the Consideration shall be reduced in accordance with SECTION 3.3, unless the parties agree to the contrary.

5.4 CONDEMNATION. In the event of the taking of any part of the Transferred Interest of any Site, or any interest therein, by eminent domain proceedings, or the commencement or bona fide threat of the commencement of any such proceedings, prior to any Closing, the affected Sites shall become Excluded Sites and the Consideration shall be reduced in accordance with SECTION 3.3, unless the parties agree to the contrary.

5.5 PUBLICITY. Except as required by applicable Laws or any applicable stock exchange rules, all press releases and other public announcements with respect to the subject matter hereof, including the time, form and content of such release or announcement, shall be made only with the mutual written agreement of TowerCo and BSPCI; provided, however, that any disclosure required to be made under applicable Law or any applicable stock exchange rules may be made only if a party required to make such disclosure has determined in good faith that it is necessary to do so and has used its reasonable best efforts, prior to the issuance of the

disclosure, to provide the other parties with a copy of the proposed disclosure and to discuss the proposed disclosure with the other parties.

5.6 TOWERCO'S ACCESS AND INSPECTION. The Transferring Entities shall provide TowerCo and its authorized representatives (i) reports as to the Sites in electronic form, to the extent reasonably available and (ii) reasonable access during normal business hours from and after the date hereof until the Final Closing to the books and records of the Transferring Entities relating to the Transferred Interests and for physical inspection of the Transferred Interest, for the purpose of making such investigation as TowerCo may reasonably desire, and each such party shall reasonably promptly furnish TowerCo such information concerning the Transferred Interests as TowerCo may reasonably request. BSPCI shall reasonably assist TowerCo in making such investigation and shall cause BSPCI's counsel, accountants, consultants and other non-employee representatives to be reasonably available to TowerCo for such purposes.

5.7 COOPERATION. The parties shall cooperate fully with each other and with their respective counsel and accountants in connection with any steps required to be taken as part of their respective obligations hereunder, and all parties shall use commercially reasonable efforts to consummate the transactions contemplated herein and to fulfill their obligations hereunder, including, without limitation, causing to be fulfilled at the earliest practical date the conditions precedent to the obligations of the parties to consummate the transactions contemplated hereby set forth in ARTICLES 10 and 11. Without the prior written consent of the other parties, no party hereto may take any intentional action that would cause the conditions precedent to the obligations of the parties hereto to effect the transactions contemplated hereby not to be fulfilled, including, without limitation, taking or causing to be taken any action that would cause the representations and warranties made by such party herein not to be true, correct and complete as of each Closing.

5.8 GOVERNMENTAL FILINGS. (a) The parties shall make, or cause to be made, all filings and submissions required to be made to any Government in connection with the transactions contemplated by this Agreement, provided however that the parties acknowledge and agree that no filings or submissions are required under the Hard-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR ACT").

(b) Each party hereto agrees to use commercially reasonable efforts to comply with all legal requirements which may be imposed on such party with respect to the transactions contemplated by the Transaction Documents and to obtain all consents, orders and approvals that may be or become necessary for the consummation of the transactions contemplated by the Transaction Documents and each party shall furnish to the other parties such necessary information and reasonable assistance as other parties may reasonably request in connection with the preparation of necessary filings or submissions to any governmental or other regulatory agency in promptly seeking to obtain all such consents, orders and approvals.

5.9 CONFIDENTIALITY. (a) The parties acknowledge and agree that in the course of their discussions and negotiations of the Transaction Documents and the transactions contemplated herein, a party hereto (the "DISCLOSING PARTY") may already have disclosed or may hereafter disclose Confidential Information (as defined below) to one or more of the other parties hereto (each, a "DISCLOSEE"). Each party agrees that if the transactions contemplated herein are not consummated, it will return to the Disclosing Party all documents and other written information furnished to it. Each party further agrees to maintain the confidentiality of any and all Confidential Information of a Disclosing Party and not disclose or give any Confidential Information to any Person or use such Confidential Information, provided, however, that the foregoing obligations will not apply to: (i) any information which was lawfully known by the Disclosee free of any obligation of confidentiality to any Person prior to its disclosure by the Disclosing Party; (ii) any information which was in the public domain prior to the disclosure thereof; (iii) any information which comes into the public domain through no fault of the Disclosee; (iv) any information which is disclosed to the Disclosee by a third party, other than an Affiliate, having the legal right to make such disclosure; (v) any information which is required to be disclosed by Order of any Forum or as required by Law; (vi) TowerCo's disclosure of Confidential Information to third parties if reasonably related to TowerCo's Permitted Use of the Sites as contemplated in the Transaction Documents or (vii) the disclosure of Confidential Information by a Transferring Entity to a BellSouth Entity Affiliate, any lender of a Transferring Entity or a BellSouth Entity Affiliate, or any of their respective agents. Without limiting the generality of the foregoing, each party agrees that, when acting as a Disclosee, it will (a) restrict the disclosure of the Confidential Information of the Disclosing Party to those employees of Disclosee who require such information for the purposes contemplated hereunder, (b) notify (x) all of its employees to whom Confidential Information of the Disclosing Party is disclosed and (y) all other Persons to whom it is permitted hereunder to disclose Confidential Information of the Disclosing Party not to use or disclose such Confidential Information in violation of this Agreement, (c) prevent use or disclosure by its employees of the Confidential Information of the Disclosing Party, except as provided herein, and (d) promptly inform the Disclosing Party of any use or disclosure of the Confidential Information of the Disclosing Party, whether intentional or not, which violates the provisions of this section and of which Disclosee has any knowledge.

(b) For purposes of this SECTION 5.9, "CONFIDENTIAL INFORMATION" means any and all technical, business, and other information which is (i) possessed or hereafter acquired by a Disclosing Party and (ii) derives economic value, actual or potential, from not being generally known to Persons other than the Disclosing Party, including, without limitation, technical or nontechnical data, compositions, devices, methods, techniques, drawings, inventions, processes, financial data, financial plans, lists of actual or potential customers or suppliers, information regarding the business plans and operations of the Disclosing Party, and the existence of discussions and negotiations between the parties hereto relating to the terms hereof; provided, however, it does not include confidential business information that does not constitute a trade secret under applicable law after the first (1st) anniversary of the date hereof. The provisions of this SECTION 5.9 shall survive any termination of this Agreement for any reason and shall remain

in full force and effect from and after the Initial Closing Date so long as the Sublease and the Site Maintenance Agreement remain in full force and effect.

(c) Each of CCIC and TowerCo acknowledges and agrees that the databases respecting the Sites maintained on behalf of BSPCI are owned by BSPCI and constitute trade secrets of BSPCI. Any data from such databases that BSPCI provides to CCIC may be used by CCIC in accordance with the terms of this Agreement, including without limitation SECTION 5.9.

5.10 REAL ESTATE MATTERS. (a) Prior to the applicable Closing, CCIC shall notify BSPCI and the Carolinas Partnership if the Ground Lease or a memorandum thereof has not been recorded for any Site. TowerCo shall use its commercially reasonable efforts to effect such recordation, at its sole cost and expense, except where prohibited by Law or the terms of the applicable Ground Lease. The applicable Transferring Entity shall execute documents reasonably requested by CCIC to effect such recordation, and shall cooperate with TowerCo in pursuing such recordation.

(b) If notwithstanding the foregoing efforts, TowerCo is unable to record any theretofore unrecorded Ground Lease or memorandum thereof in respect of any Site, then TowerCo shall nonetheless use reasonable efforts to cause the Site Designation Supplement for such Site to be duly recorded, including on the face of the applicable Site Designation Supplement a cross reference to the applicable deed and its recording information, submitting the Site Designation Supplement for recordation (which Site Designation Supplement shall include a copy of the applicable Ground Lease or a memorandum thereof), requesting that the clerk of the applicable jurisdiction cross-index the Site Designation Supplement to the grantor-grantee index and otherwise using reasonable efforts to effect such recordation; provided, however, that nothing contained in this SECTION 5.10 (including any failure of TowerCo to record any Ground Lease or a memorandum thereof or a Site Designation Supplement in the absence of such recordation) shall constitute a condition precedent to CCIC's or TowerCo's obligation to close the transactions contemplated by this Agreement with respect to such Site or otherwise release CCIC or TowerCo from the obligation to treat such Site as an Included Site at the applicable Closing.

(c) The applicable Transferring Entity and, after the applicable Closing, TowerCo shall each have the right to place, each at its sole cost and expense, accurate signage on each Site to put third parties on notice of its interest in such Site, subject to compliance with applicable Laws.

(d) Notwithstanding anything to the contrary contained herein, if TowerCo is unable to record any unrecorded Ground Lease or memorandum thereof in respect of any Site, record a Site Designation Supplement as aforesaid or otherwise to protect the applicable Transferring Entity's interest in such Site and at any time thereafter the applicable Transferring Entity loses its interest under the Ground Lease by virtue of a foreclosure of a prior Mortgage on the fee interest of such Site, TowerCo will have no claim against either Transferring Entity in

respect thereof, but if such Transferring Entity desires to locate another Tower in the same general area, TowerCo will have the right to build the Tower for such Transferring Entity pursuant to the Build to Suit Agreement, and such Tower shall become subject to the Sublease. No such Tower will constitute a Qualifying Site, as defined in the Build to Suit Agreement.

(e) Following the applicable Closing, TowerCo and each Transferring Entity whose Sites were the subject of a Site Designation Supplement and whose Ground Lease or memorandum was not recorded, shall continue reasonable efforts to cause the Ground Lease or a memorandum thereof to be recorded. Such obligation shall expire on the first anniversary of the Final Closing. If any such Ground Lease or a memorandum is thereafter recorded in respect of any Site, the parties shall re-record the Site Designation Supplement for such Site.

(f) Each Site Designation Supplement shall be in recordable form. CCIC shall be responsible for effecting the recordation of all Site Designation Supplements, unless prohibited by Law or by the applicable Ground Lease, and CCIC shall bear all costs and expenses incurred in connection therewith. Promptly after effecting such recordation, CCIC shall give the applicable Transferring Entity written confirmation of such recordation and copies of the recorded documents.

5.11 UPDATE OF INFORMATION. At all times prior to the Final Closing, TowerCo and CCIC shall promptly provide the Transferring Entities, and the Transferring Entities, subject to SECTION 4.6(b), shall promptly provide CCIC with written notification of any material fact, event, occurrence or other information of any kind whatsoever which affects, or may affect, the truthfulness, correctness or completeness of any representation, warranty, covenant or agreement made in this Agreement, any other Transaction Document or any document, agreement, instrument, certificate or writing furnished to any party or its respective Affiliates pursuant to or in connection with this Agreement, or which affects or may affect the continued truthfulness, correctness or completeness of any thereof through the date of the Final Closing. Each such written notification shall specifically identify all representations, warranties, covenants and agreements affected by the fact, event, occurrence or information that necessitated the giving of the notice; provided, that, except as set forth in SECTION 4.6(b), no such notification of any material fact, event, occurrence or other information shall be deemed to modify, amend or supplement any such representation, warranty, covenant and agreement.

5.12 CCIC'S GUARANTY. (a) CCIC unconditionally guarantees to each Transferring Entity the full and timely performance and observance of all of the terms, provisions, covenants and obligations of TowerCo under this Agreement and other Transaction Documents and any Affiliate of TowerCo under any Transaction Documents (the "OBLIGATIONS"). CCIC agrees that if TowerCo or TowerCo's Affiliate defaults at any time in the performance of any of the Obligations, CCIC shall faithfully perform and fulfill all Obligations and shall pay to the applicable Transferring Entity all reasonable attorneys' fees, court costs, and other expenses,

costs and disbursements incurred by it on account of any default by TowerCo or TowerCo's Affiliate and on account of the enforcement of this guaranty.

(b) If TowerCo or TowerCo's Affiliate defaults under this Agreement or any Transaction Documents, and BSPCI elects (on its own behalf and on behalf of the Carolinas Partnership) to enforce the provisions of this SECTION 5.12, BSPCI shall promptly give CCIC reasonably detailed written notice thereof, which notice shall constitute an exercise of BSPCI's rights against CCIC pursuant to this SECTION 5.12. Following the receipt of such notice by CCIC, CCIC shall have the same period of time as is afforded to TowerCo or TowerCo's Affiliate under this Agreement or any Transaction Documents to cure such default, but no such cure period shall diminish the obligations of CCIC under this SECTION 5.12.

(c) This guaranty obligation of CCIC shall be enforceable by BSPCI in an Action against CCIC without the necessity of any Action by BSPCI of any kind or nature whatsoever against TowerCo or its Affiliate, without the necessity of any notice to CCIC of TowerCo's or its Affiliate's default or breach under this Agreement or any Transaction Documents, and without the necessity of any other notice or demand to CCIC to which CCIC might otherwise be entitled, all of which notices CCIC hereby expressly waive. CCIC hereby agrees that the validity of this guaranty and the obligations of CCIC hereunder shall not be terminated, affected, diminished, or impaired by reason of the assertion or the failure to assert by BSPCI against TowerCo or its Affiliate any of the rights or remedies reserved to BSPCI pursuant to the provisions of this Agreement or any Transaction Documents or any other remedy or right which BSPCI may have at law or in equity or otherwise.

(d) CCIC covenants and agrees that this guaranty is an absolute, unconditional, irrevocable and continuing guaranty. The liability of CCIC hereunder shall not be affected, modified, or diminished by reason of any modification or termination of this Agreement and any other Transaction Documents or any modification or waiver of or change in any of the covenants and terms of this Agreement or any Transaction Documents by agreement of BSPCI and TowerCo or its Affiliate, or by any unilateral action of either BSPCI or TowerCo or its Affiliate, or by an extension of time that may be granted by BSPCI to TowerCo or its Affiliate or any indulgence of any kind granted to TowerCo or its Affiliate, or any dealings or transactions occurring between BSPCI and TowerCo or its Affiliate, including, without limitation, any adjustment, compromise, settlement, accord and satisfaction, or release, or any bankruptcy, insolvency, reorganization, arrangement, assignment for the benefit of creditors, receivership, or trusteeship affecting TowerCo or its Affiliate. CCIC does hereby expressly waive any suretyship defense it may have by virtue of any Law of any state or Government.

(e) All of BSPCI's' rights and remedies under this guaranty are intended to be distinct, separate, and cumulative and no such right and remedy herein is intended to be the exclusion of or a waiver of any other.

(f) CCIC hereby waives presentment, demand for performance, notice of nonperformance, protest, notice of protest, notice of dishonor, and notice of acceptance. CCIC

further waives any right to require that an action be brought against TowerCo or its Affiliate or any other person or to require that resort be had by BSPCI to any security held by BSPCI. The provisions of this SECTION 5.12 shall survive any termination of this Agreement.

ARTICLE 6
REPRESENTATIONS, WARRANTIES AND COVENANTS OF TRANSFERRING ENTITIES

As an inducement to CCIC and TowerCo to enter into and perform each and all Transaction Documents, each Applicable Transferring Entity, severally and not jointly, hereby represents and warrants to CCIC and TowerCo, as to itself and its Sites, as follows (such representations and warranties being deemed made as of the date of each Closing):

6.1 ORGANIZATION, AUTHORITY AND QUALIFICATION. BSPCI is a corporation, duly organized, validly existing and in good standing under the laws of the State of Delaware and the Carolinas Partnership is a limited partnership, duly organized, validity existing and in good standing under the laws of the State of Delaware. Each Transferring Entity is duly authorized, licensed or qualified to do business in any jurisdiction where the ownership, use or occupancy of the Sites would require it to be authorized, licensed or qualified, except where the failure to be authorized, licensed or qualified would not have a Material Adverse Effect. Each Transferring Entity has the requisite corporate or partnership power and authority to own, lease, sublease, use and occupy the Sites as they are now being owned, leased, subleased, used and occupied by such Transferring Entity. Each Transferring Entity has the right, power and authority to transfer the Transferred Interests of its Sites in accordance with the terms, provisions and conditions of this Agreement and other Transaction Documents.

6.2 CAPACITY; INCONSISTENT OBLIGATIONS. (a) Each Transferring Entity has the corporate or partnership power and authority to execute and deliver the Transaction Documents to which it is a party and to perform and comply with the Transaction Documents to which such Transferring Entity is a party in accordance with their respective terms. The Transaction Documents to which each Transferring Entity is a party have been, or will be, prior to the first Closing in which any of its Sites is included, duly and validly executed and delivered by such Transferring Entity and constitute, or will constitute, prior to the first Closing in which any of its Sites is included, the valid and legally binding obligations of such Transferring Entity subject to general equity principles, enforceable in accordance with their respective terms, except as the same may be limited by bankruptcy, insolvency, reorganization or similar laws affecting the rights of creditors generally.

(b) Except as set forth in the Disclosure Schedule, neither the execution and delivery of the Transaction Documents to which such Transferring Entity is a party, nor the consummation of the transactions contemplated therein will (i) result in a violation of such Transferring Entity's articles of incorporation or bylaws, or (ii) to such Transferring Entity's knowledge, result in a breach of or default under any term or provision of any contract or

agreement to which such Transferring Entity is a party, except where such breach or default would not have a Material Adverse Effect.

6.3 CONSENTS. Except for the consents specified in the Disclosure Schedule with respect to each Closing, the execution and delivery by each Transferring Entity of this Agreement and other Transaction Documents to which such Transferring Entity is a party, the consummation of the transactions contemplated herein and therein, and the performance by such Transferring Entity hereunder and thereunder does not require the consent, approval or action of, or any filing with or notice to, any Government or other Person.

6.4 NO VIOLATION; COMPLIANCE WITH LAWS. Except as set forth in the Disclosure Schedule, no Transferring Entity is in default under or in violation of (a) its articles of incorporation or bylaws, (b) any Order to which such Transferring Entity is subject, or (c) any Existing Leases, except where such defaults or violations would not have a Material Adverse Effect. Each Transferring Entity has complied with all applicable Laws, except where the failure to have so complied would not have a Material Adverse Effect.

6.5 LITIGATION; CONTINGENCIES. Except as set forth in the Disclosure Schedule, there are no Actions pending or to the best of each Transferring Entity's knowledge, threatened against, by or affecting such Transferring Entity which adversely affect the Transferred Interests or which question the validity or enforceability of this Agreement. There are no unsatisfied judgments or Orders against any Transferring Entity to which the Transferred Interests are subject.

6.6 LEASED AND OWNED SITES. Except as set forth in the Disclosure Schedule: (a)(i) Such Transferring Entity holds a valid leasehold interest or a Qualifying Interest in each of its Leased Sites pursuant to a Ground Lease, and (ii) to the best knowledge of the applicable Transferring Entity, (x) each of the Ground Leases is in full force and effect, (y) neither the Transferring Entity nor the Ground Lessor is in breach of the Ground Lease, except for breaches that would not have a Material Adverse Effect, and (z) such Transferring Entity has delivered to CCIC copies of each of the Ground Leases, which copies are true, correct and complete in all material respects.

(b) To the best knowledge of the applicable Transferring Entity, such Transferring Entity holds valid fee simple title to each of the Owned Sites, free and clear of all Liens other than Permitted Liens.

6.7 REAL PROPERTY. To the best knowledge of the Applicable Transferring Entity, as to each Existing Site, except as set forth in the Disclosure Schedule:

(a) Such Transferring Entity's ownership, lease or use of the Land included in the Transferred Interests respecting such Existing Site is in compliance with all applicable zoning and other land use requirements where the failure to so comply would materially limit such

Transferring Entity's ability to use such Land in the ordinary course of its business, or the Permitted Use of such Land.

(b) The utility services currently available to such Existing Site are adequate for the present use of such Existing Site by such Transferring Entity, are being supplied to such Transferring Entity by utility companies or pursuant to valid and enforceable contracts or tariffs, and there is no condition which, to the best of such Transferring Entity's knowledge, will result in the termination of the present access from such Existing Site to such utility services.

(c) Such Transferring Entity has obtained all easements and rights-of-way that are reasonably necessary to provide vehicular and pedestrian ingress and egress to and from each of the Existing Sites for the purposes used by such Transferring Entity in the ordinary course. No Action is pending or threatened which would have the effect of terminating or limiting such access.

(d) No breach or event of default by such Transferring Entity has occurred and is continuing under any Ground Lease and Existing Lease, as applicable, respecting one or more Sites, except where such breach or event of default would not have a Material Adverse Effect.

6.8 EMINENT DOMAIN. Except as set forth in the Disclosure Schedule, no Transferring Entity has received any written notice that any Government having the power of eminent domain over any of the Land included in the Transferred Interests has commenced or intends to exercise the power of eminent domain or a similar power with respect to all or any part of such Land.

6.9 TAXES. To the best knowledge of the applicable Transferring Entity, except as set forth in the Disclosure Schedule, (i) such Transferring Entity has duly and timely filed all federal, state, municipal and local Tax returns and reports (collectively, "RETURNS") with respect to all Taxes owing in respect of its Existing Sites, (ii) all Taxes imposed on a Transferring Entity in respect of its Existing Sites by any Government which have become due and payable by such Transferring Entity for all periods through the date of this Agreement have been paid in full, (iii) there are no proposed assessments against such Transferring Entity of additional Taxes in respect of its Existing Sites, and (iv) there is no dispute or Action concerning any Tax Liability of such Transferring Entity raised by a Government in writing.

6.10 GOVERNMENTAL PERMITS. To the best knowledge of the applicable Transferring Entity, except as set forth in the Disclosure Schedule: (i) such Transferring Entity has obtained all Governmental Permits that are required for the ownership, use or occupancy of its Existing Sites or the Transferred Interests, all of which are in full force and effect, except where the failure to obtain any such Governmental Permit or of any such Governmental Permit to be in full force and effect would not have a material adverse effect on such Transferring Entity or its business or on the Permitted Use; and (ii) each Transferring Entity has complied with all such

Governmental Permits, except where the failure to comply would not have a material adverse effect on such Transferring Entity or on the Permitted Use.

6.11 ENVIRONMENTAL MATTERS. Except as set forth in the Disclosure Schedule, to the best of each Transferring Entity's knowledge, no Environmental Condition exists and no pending or threatened Action in respect of any Environmental Condition exists at any of its Existing Sites which would have a material adverse effect on such Transferring Entity's use of such Existing Site consistent with past practices or on TowerCo's use of such Existing Site consistent with the Sublease.

6.12 EXISTING LEASES; COLOCATION AGREEMENTS; MASTER LICENSE AGREEMENTS; OTHER AGREEMENTS. To the best knowledge of each Transferring Entity, except for the Existing Leases and Colocation Agreements set forth in the Disclosure Schedule, there are no leases or other agreements for use, occupancy or possession presently in force with respect to all or any portion of the Sites. Each Transferring Entity has made available to CCIC and TowerCo copies of the Existing Leases, Colocation Agreements and other agreements identified in the Disclosure Schedule. To the best knowledge of each Transferring Entity, such copies are true and complete in all material respects and include all material amendments, supplements and modifications thereto or material waivers currently in effect thereunder.

6.13 NO UNDISCLOSED LIABILITIES. To the best knowledge of the applicable Transferring Entity, except as set forth in the Disclosure Schedule, no liabilities or obligations (whether pursuant to Contracts or otherwise) of any kind whatsoever (whether accrued, contingent, absolute, determined, determinable or otherwise) have been incurred by any Transferring Entity with respect to the Transferred Interests and which have had or could reasonably be expected to have a Material Adverse Effect after the consummation of the transactions contemplated hereby, other than liabilities or obligations disclosed or provided for in the Transaction Documents.

6.14 AUTHORIZATION. Each of BSPCI and the Carolinas Partnership has the requisite power and authority to execute this Agreement and the Transaction Documents to which any of them is a party and to consummate the transactions performed or to be performed by any or all of them hereunder and thereunder. Such execution, delivery and performance by BSPCI and the Carolinas Partnership have been duly authorized by all necessary action. This Agreement and the Transaction Documents constitute valid and binding obligations of the Transferring Entities, enforceable in accordance with their respective terms.

6.15 NO OTHER WARRANTIES. Except for the representations, warranties and covenants expressly set forth in this ARTICLE 6, and subject to SECTION 3(a) of the Sublease, the Transferred Interests are being transferred by Transferring Entities AS IS, WHERE IS, and with all faults, and there are no other warranties being made by any of the Transferring Entities INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF HABITABILITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, EXPRESS OR IMPLIED, IN CONNECTION WITH THE TRANSFER OF THE TRANSFERRED INTERESTS OR THE OTHER

TRANSACTIONS CONTEMPLATED BY THE TRANSACTION DOCUMENTS. Each of CCIC and TowerCo acknowledges and agrees that: (i) no examination or investigation of the Transferred Interests by or on behalf of TowerCo prior to any Closing shall in any way modify, affect or increase a Transferring Entity's obligations under the representations, warranties, covenants and agreements set forth in this ARTICLE 6; and (ii) any representation or warranty as to the adequacy of any Site or the Tower or Improvements thereon is limited to the adequacy to the applicable Transferring Entity and not to TowerCo, CCIC or any other Person.

ARTICLE 7
REPRESENTATIONS, WARRANTIES AND COVENANTS OF TOWERCO

As an inducement to the Transferring Entities to enter into and perform each and all Transaction Documents, TowerCo hereby represents and warrants to each of the Transferring Entities as follows:

7.1 ORGANIZATION, AUTHORITY AND QUALIFICATION. TowerCo is a corporation duly organized and validly existing under the laws of the State of Delaware. TowerCo has its principal office and place of business at the location specified in SCHEDULE 7.1. TowerCo has or will have at the time of the applicable Closing full corporate power and authority to carry on its business as it has been, now being conducted and to own or lease its properties and to carry on its businesses as and in all places where such business is currently conducted and such properties are or will be owned or leased. TowerCo is or will be at the time of the applicable Closing duly authorized, licensed or qualified to do business in all the jurisdictions where such business and the ownership, use and occupancy of such properties would require it to be authorized, licensed or qualified.

7.2 OWNERSHIP OF SHARES; SUBSIDIARIES. (a) TowerCo has a total authorized share capital consisting of 3,000 common shares, par value $.01 per share, of which 1,000 shares are presently issued and outstanding ("TOWERCO SHARES"), and all such issued and outstanding shares are owned of record and beneficially by CCIC or a wholly owned subsidiary of CCIC. All such issued TowerCo Shares are duly authorized, validly issued, fully paid and nonassessable and were authorized, offered, issued and sold in accordance with all applicable securities and other Laws. The certificate of incorporation of TowerCo does not provide for preemptive rights in favor of any Person. There are no outstanding securities convertible into the share capital or rights to subscribe for or to purchase, or any options for the purchase of, or any agreements or arrangements providing for the issuance (contingent or otherwise) of, or any Actions relating to, the share capital of TowerCo.

(b) Except as set forth on SCHEDULE 7.2, TowerCo does not own and has no interest, direct or indirect, or any commitment to purchase or otherwise acquire, any share capital or other equity interest, direct or indirect, in, or to make any loan or other investment in, any other Person.

(c) CCIC or a wholly owned subsidiary of CCIC is the sole owner of the TowerCo Shares, free and clear of any and all pledges, security interests, options or rights of others.

7.3 CAPACITY; INCONSISTENT OBLIGATIONS. (a) TowerCo has the corporate power and authority to execute and deliver the Transaction Documents to which it is a party and to perform and comply with the Transaction Documents to which it is a party in accordance with their respective terms. The Transaction Documents to which TowerCo is a party have been duly and validly executed and delivered by TowerCo and constitute the valid and legally binding obligations of TowerCo subject to general equity principles, enforceable in accordance with their respective terms, except as the same may be limited by bankruptcy, insolvency, reorganization or similar laws affecting the rights of creditors generally.

(b) Neither the execution and delivery of the Transaction Documents to which TowerCo is a party, nor the consummation of the transactions contemplated therein will (i) result in a violation of TowerCo's certificate of incorporation or bylaws, (ii) to TowerCo's knowledge, result in a breach of or default under any term or provision of any contract or agreement to which TowerCo is a party, except where such breach or default would not have a material adverse effect on TowerCo, or (iii) result in the creation or imposition of any Liens upon its properties and assets, other than Permitted Liens.

7.4 CONSENTS. Except for compliance with (a) the consents specified in SCHEDULE 7.4, and (b) the consents specified in the Closing Schedule with respect to each Closing, the execution and delivery by TowerCo of this Agreement and other Transaction Documents to which it is a party, the consummation of the transactions contemplated herein and therein, and the performance by TowerCo hereunder and thereunder does not require the consent, approval or action of, or any filing with or notice to, any Government or other Person.

7.5 NO VIOLATION; COMPLIANCE WITH LAWS. Except as set forth in SCHEDULE 7.5, TowerCo is not in default under or in violation of (a) its certificate of incorporation or bylaws, (b) to TowerCo's knowledge, any Order to which TowerCo is subject, (c) any material contract to which it is a party, except where such defaults or violations would not have a material adverse effect on TowerCo or its business. TowerCo has complied with all applicable Laws, except where the failure to have so complied would not have a material adverse effect on TowerCo or its business.

7.6 LIABILITIES. TowerCo has no Liabilities, except (i) those reflected on the TowerCo Existing Financial Statements or Liabilities disclosed in SCHEDULE 7.6 to the Transaction Documents to which TowerCo is a party, (ii) Liabilities incurred in the ordinary course of business, and (iii) those that will not have a material adverse effect on TowerCo or its business.

7.7 LITIGATION; CONTINGENCIES. There are no Actions pending or, to the best of TowerCo's knowledge, threatened against, by or affecting TowerCo properties and assets or that question the validity or enforceability of this Agreement.

7.8 NO BROKER. No broker, finder or similar agent has acted on behalf of TowerCo in connection with this Agreement or the transactions contemplated herein.

7.9 NO OTHER WARRANTIES. Except for the representations, warranties and covenants expressly set forth in this ARTICLE 7, TowerCo has not made nor is making any representations or warranties to BSPCI or the Transferring Entities, express or implied, in connection with the transactions contemplated by this Agreement.

ARTICLE 8
REPRESENTATIONS, WARRANTIES AND COVENANTS OF CCIC

As an inducement to the Transferring Entities to enter into and perform each and all Transaction Documents, CCIC hereby represents and warrants to each of the Transferring Entities as follows:

8.1 ORGANIZATION, AUTHORITY AND QUALIFICATION. CCIC is a corporation duly organized and validly existing under the laws of the State of Delaware. CCIC is duly authorized, licensed or qualified in all the jurisdictions where such authorization, license or qualification is necessary.

8.2 CAPACITY; INCONSISTENT OBLIGATIONS. (a) CCIC has the corporate power and authority to execute and deliver the Transaction Documents to which it is a party and to perform and comply with the Transaction Documents to which it is a party in accordance with their respective terms. The Transaction Documents to which CCIC is a party have been duly and validly executed and delivered by CCIC and constitute the valid and legally binding obligations of CCIC subject to general equity principles, enforceable in accordance with their respective terms, except as the same may be limited by bankruptcy, insolvency, reorganization or similar laws affecting the rights of creditors generally.

(b) Neither the execution and delivery of the Transaction Documents to which CCIC is a party, nor the consummation of the transactions contemplated therein will (i) result in a violation of CCIC's articles of incorporation or bylaws, or (ii) to CCIC's knowledge, result in a breach of or default under any term or provision of any contract or agreement to which CCIC is a party, except where such breach or default would not have a material adverse effect on CCIC.

8.3 CONSENTS. Except for compliance with the consents specified in SCHEDULE 8.3, the execution and delivery by CCIC of the Transaction Document to which it is a party, the consummation of the transactions contemplated therein, and the performance by CCIC thereunder does not require the consent, approval or action of, or any filing with or notice to, any

Government or other Person. Without limiting the generality of the foregoing, CCIC represents and warrants that no such consent is required under any CCIC Indenture, and agrees that it will not amend or modify any CCIC Indenture in any manner that would cause this representation and warranty to no longer by true and correct.

8.4 NO VIOLATION; COMPLIANCE WITH LAWS. Except as set forth in SCHEDULE 8.4, CCIC is not in default under or in violation of (a) its articles of incorporation or bylaws, (b) to CCIC's best knowledge, any Order to which CCIC is subject, or (c) any material contract to which it is a party except where such defaults or violations would not have a material adverse effect on CCIC or its business. CCIC has complied with all applicable Laws, except where the failure to have so complied would not have a material adverse effect on CCIC or its business.

8.5 LITIGATION; CONTINGENCIES. There are no Actions pending or to the best knowledge of CCIC, threatened against, by or affecting CCIC that question the validity or enforceability of this Agreement.

8.6 NO OTHER WARRANTIES. Except for the representations, warranties and covenants expressly set forth in this ARTICLE 8, CCIC has not made nor is making any representations or warranties to BSPCI or the Transferring Entities, express or implied, in connection with the transactions contemplated by this Agreement.

ARTICLE 9
CONDUCT OF BUSINESS
PENDING CLOSINGS

9.1 CONDUCT OF BUSINESS BY THE TRANSFERRING ENTITIES. Each Transferring Entity severally and not jointly covenants and agrees that pending each Closing, except as otherwise agreed to in writing by TowerCo, and except in connection with the performance of the transactions contemplated hereby, as to its Existing Sites only:

(a) Since July 1, 1999, such Transferring Entity has operated, maintained and serviced, and from and after the date hereof such Transferring Entity shall operate, maintain and service, the Sites in the ordinary course of business consistent with past practices and in compliance in all material respects with all applicable Laws, including without limitation entering into any leases, licenses or subleases of its Sites in the ordinary course of business consistent with past practices, provided that such leases, licenses or subleases shall constitute Existing Leases. The parties specifically agree that, under the foregoing, each Transferring Entity has added and subtracted antennas from the Site in the ordinary course of business, and any net additions of antennas made prior to the date hereof shall not constitute a breach of the foregoing so long as made in the ordinary course of business consistent with past practices.

(b) Each Transferring Entity shall use its commercially reasonable efforts to conduct its business in such a manner that on each Closing Date the representations and

warranties of such Transferring Entity contained in this Agreement and applicable to such Closing shall be true as though such representations and warranties were made on and as of such date. Each Transferring Entity shall cooperate with CCIC and TowerCo and use their commercially reasonable efforts to cause all of the conditions to the obligations of the parties under this Agreement to be satisfied on or prior to each Closing Date.

(c) With respect to any net additions of antennas since July 1, 1999 on a Tower which is included in a Closing, Sections 5(b) and 5(c) of the Sublease shall be applicable.

9.2 CONDUCT OF BUSINESS BY CCIC AND TOWERCO. Each of CCIC and TowerCo covenants and agrees that pending each Closing, except as otherwise agreed to in writing by BSPCI, and except in connection with the performance of the transactions contemplated hereby:

(a) Each of CCIC and TowerCo shall promptly disclose to BSPCI any material information contained in its representations and warranties or any of the Schedules hereto which, because of an event occurring after the date hereof, is incomplete or is no longer correct as of all times after the date hereof until the Closing Date with respect to which such representations and warranties are made; provided, however, that none of such disclosures shall be deemed to modify, amend or supplement the representations and warranties of CCIC and TowerCo or the Schedules hereto for the purposes of ARTICLES 7 and 8, unless BSPCI shall have consented thereto in writing.

(b) Each of CCIC and TowerCo shall use its commercially reasonable efforts to conduct its business in such a manner that on each Closing Date the representations and warranties of CCIC and TowerCo contained in this Agreement and applicable to such Closing shall be true as though such representations and warranties were made on and as of such date. Each of CCIC and TowerCo shall cooperate with BSPCI and use its commercially reasonable efforts to cause all of the conditions to the obligations of the parties under this Agreement to be satisfied on or prior to each Closing Date.

(c) Each of CCIC and TowerCo shall provide to BSPCI's officers, employees, counsel, accountants and other representatives free and full access to and the right to inspect, during normal business hours, all of the records, contracts and other documents relating to its business, provided that such inspection shall not unreasonably interfere with the business operations of CCIC and TowerCo. Each of CCIC and TowerCo shall furnish to BSPCI all such documents and copies of documents and records and information with respect to the affairs of its business and copies of any working papers relating thereto as BSPCI shall from time to time reasonably request from time to time. Notwithstanding the foregoing, nether CCIC nor TowerCo shall be required to provide any such information to BSPCI if, in the reasonable determination of CCIC or TowerCo, or their respective counsel, as applicable, access to such information by BSPCI is prohibited by the provisions of any confidentiality agreement to which either of CCIC or TowerCo is a party or by applicable Law.

ARTICLE 10
CONDITIONS TO OBLIGATIONS OF TRANSFERRING ENTITIES

All obligations of the Transferring Entities hereunder are subject to the fulfillment and satisfaction, prior to or at each Closing, of each and every one of the following conditions, any or all of which may be waived in whole or in part by BSPCI, provided that no such waiver will be effective unless it is set forth in a writing executed by BSPCI as of such Closing Date:

10.1 REPRESENTATIONS AND WARRANTIES. The representations and warranties of CCIC and TowerCo contained in this Agreement or in any schedule, certificate or document delivered by CCIC and TowerCo to BSPCI pursuant to the provision hereof shall have been true and correct in all material respects on and as of the date when made and shall be deemed to be made again at and as of the date of each Closing and shall be true and correct in all material respects at and as of such time.

10.2 COMPLIANCE WITH AGREEMENTS AND CONDITIONS. Each of CCIC and TowerCo shall have performed and complied in all material respects with all covenants, agreements and conditions required by this Agreement to be performed or complied with by each of them prior to or on the date of each Closing, and no unwaived event of default shall have occurred and be continuing under SECTION 31(D) of the Sublease that would give BSPCI the right to terminate the Sublease as to all Sites.

10.3 CLOSING CERTIFICATES. Each of the Transferring Entities shall have received from each of CCIC and TowerCo certificates dated the date of each Closing, in each case certifying in such detail as BSPCI may reasonably request as to the fulfillment and satisfaction of the conditions specified in SECTIONS 10.1 and 10.2 and, in the case of the certificate for the Initial Closing only, the absence of any material adverse change in the businesses or assets of CCIC or TowerCo since March 5, 1999.

10.4 CORPORATE CONSENTS. Each of the Transferring Entities shall have received from each of CCIC and TowerCo, at the Initial Closing, minutes of the meetings of its Board of Directors or a consent action taken by such Board of Directors in lieu of a meeting, in each case, certified by its Secretary, an Assistant Secretary or another of its authorized officers, (a) authorizing and approving the execution and delivery of this Agreement and other Transaction Documents on behalf of CCIC and TowerCo and the consummation of the transactions contemplated herein and therein, and (b) authorizing and approving all other necessary and proper actions to enable CCIC and TowerCo to comply with the terms hereof and thereof.

10.5 CONSENTS AND APPROVALS. Each of the Transferring Entities shall have obtained authorizations, consents and approvals from any Person whose authorization, consent or approval is required or necessary to consummate the transactions contemplated herein, including (a) if applicable, the consents and approval of any environmental agency having jurisdiction over the transactions contemplated hereby within the Territory and applicable to such Closing shall

have been obtained, (b) the consents specified in the Disclosure Schedule pursuant to SECTION 6.3 and applicable to such Closing shall have been obtained or waived, (c) any consents specified in the Disclosure Schedule and applicable to such Closing shall have been obtained or waived, (d) any consents of any limited partners of the Carolinas Partnership applicable to particular Sites shall have been obtained and (e) all Governmental Permits applicable to such Closing, shall have been obtained or waived.

10.6 NO LITIGATION. No Action shall have been instituted, be threatened in writing or be pending, in each case by any Government or other Person (a) against CCIC or TowerCo to restrain or prohibit the consummation of the transactions contemplated in this Agreement, and (b) which could reasonably be expected to have a material adverse effect on the business, assets, properties, Liabilities, affairs, results of operations, prospects, conditions (financial or otherwise), or cash flow of CCIC and TowerCo.

10.7 FUNDAMENTAL TRANSACTIONS. Neither TowerCo nor CCIC shall have (a) been a party to any merger, consolidation or business combination in which TowerCo or CCIC was not the surviving corporation, (b) been liquidated, wound-up or dissolved, or (c) sold, transferred or disposed of all or substantially all of its properties and assets.

10.8 BUILD-TO-SUIT AGREEMENT. At the Initial Closing Date, CCIC and TowerCo shall have executed and delivered to the Build-to-Suit Agreement, and the same shall have become effective as of the Initial Closing Date.

10.9 SUBLEASE. At the Initial Closing Date, CCIC and TowerCo shall have executed and delivered to BSPCI, the Sublease and the Sublease shall have become effective as of the Initial Closing Date.

10.10 SITE MAINTENANCE AGREEMENT. On or prior to the Initial Closing, CCIC and TowerCo shall have executed and delivered to BSPCI the Site Maintenance Agreement, and the same shall have become effective as of the date of the Initial Closing.

10.11 AMENDMENT TO SITE MARKETING AGREEMENT. On or prior to the Initial Closing Date, CCIC shall have executed and delivered the Amendment to Site Marketing Agreement and the same shall have become effective on or before the Initial Closing Date and shall terminate on the Final Closing Date.

ARTICLE 11
CONDITIONS TO OBLIGATIONS OF CCIC AND TOWERCO

All obligations of CCIC and TowerCo hereunder in respect of any Existing Site included in any Closing are subject to the fulfillment and satisfaction, prior to or at such Closing, of each and every one of the following conditions, to the extent such condition relates to such Existing Site, any or all of which may be waived in whole or in part by TowerCo, provided that no such waiver will be effective unless it is set forth in a writing executed by TowerCo:

11.1 REPRESENTATIONS AND WARRANTIES. The representations and warranties of each of the Transferring Entities whose Sites are included in such Closing ("APPLICABLE TRANSFERRING ENTITIES") contained in this Agreement or in any schedule, certificate or document delivered by such Transferring Entities to TowerCo pursuant to the provision hereof shall have been true and correct in all material respects on and as of the date when made and shall be deemed to be made again at and as of the date of each Closing and shall be true and correct in all material respects at and as of such time. For purposes of determining under SECTION 11.1 whether a condition to a Closing has been satisfied, and not for any other purposes, the representations and warranties made shall be deemed made, unless otherwise specifically provided, without the qualification set forth therein that such representations and warranties are made subject to the Applicable Transferring Entity's best knowledge.

11.2 COMPLIANCE WITH AGREEMENTS AND CONDITIONS. Each of the Applicable Transferring Entities shall have performed and complied in all material respects with all covenants, agreements and conditions required by this Agreement to be performed or complied with by each of them prior to or on the date of each Closing.

11.3 CLOSING CERTIFICATES. TowerCo shall have received from each Applicable Transferring Entity a certificate dated the date of each Closing, (a) certifying in such detail as TowerCo may reasonably request as to (i) the fulfillment and satisfaction of the conditions specified in SECTIONS 11.1 and 11.2 and (ii) no event or circumstance having had a Material Adverse Effect on the Sites of such Transferring Entity included in such Closing has occurred since July 1, 1999, and (b) setting forth any net additions of microwave dishes or antenna arrays with more than nine (9) antennas, on each Tower included in such Closing since the date hereof.

11.4 CORPORATE CONSENTS. On or before each Closing, TowerCo shall have received (a) from BSPCI, minutes of the meeting of its Board of Directors or a consent action taken by such Board of Directors in lieu of a meeting (or, in either case, appropriate committee thereof), in each case, certified by its Secretary, an Assistant Secretary or another of its authorized officers, and (b) from the Carolinas Partnership, minutes of the meetings of its Executive Committee, certified by the Secretary or an Assistant Secretary of BSPCI, as its sole general partner, (i) authorizing and approving the execution and delivery of this Agreement and other Transaction Documents on behalf of such Transferring Entity and the consummation of the transactions

contemplated herein and therein, and (ii) authorizing and approving all other necessary and proper actions to enable such Transferring Entity to comply with the terms hereof and thereof.

11.5 CONSENTS AND APPROVALS. All necessary consents and approvals shall have been obtained from any Government or other Person, whose consent or approval is required or necessary to consummate the transactions contemplated herein, including the following: (a) if applicable, the consents and approval of any environmental agency having jurisdiction over the transactions contemplated hereby within the Territory and applicable to such Closing, shall have been obtained, (b) the consents specified in the Disclosure Schedule and applicable to such Closing shall have been obtained or waived, and (c) all Governmental Permits applicable to such Closing shall have been obtained or waived.

11.6 NO LITIGATION. No Action shall have been instituted, be threatened in writing or be pending, in each case by any Government or other Person, (a) against the Applicable Transferring Entity to restrain or prohibit its consummation of the transactions in this Agreement, and (b) which could reasonably be expected to have a material adverse effect on the Transferred Interests.

11.7 BUILD-TO-SUIT AGREEMENT. On or prior to the Initial Closing Date, BSPCI shall have executed and delivered to CCIC and TowerCo, the Build-to-Suit Agreement, and the same shall have become effective as of the Initial Closing Date.

11.8 SUBLEASE. On or prior to the Initial Closing Date, BSPCI shall have executed and delivered to CCIC and TowerCo the Sublease, and the same shall have become effective as of the Initial Closing Date.

11.9 SITE MAINTENANCE AGREEMENT. On or prior to the Initial Closing, each Transferring Entity shall have executed and delivered to CCIC and TowerCo the Site Maintenance Agreement and the same shall have become effective as of the date of such Closing.

11.10 AMENDMENT TO SITE MARKETING AGREEMENT. On or prior to the Initial Closing Date, BSPCI shall have executed and delivered the Amendment to Site Marketing Agreement, and the same shall have become effective on or before the Initial Closing Date.

ARTICLE 12
INDEMNIFICATION

12.1 INDEMNIFICATION BY TRANSFERRING ENTITY. (a) As to each Included Site, from and after the Closing Date of such Site, each Transferring Entity, severally and not jointly, shall indemnify and hold harmless each of the TowerCo Indemnitees from and against any and all Liabilities, claims, causes of action, demands, judgments, losses, costs, damages or expenses whatsoever (including reasonable attorneys' fees and disbursements of every kind, nature and description) incurred by such TowerCo Indemnitee in connection therewith (collectively, "TOWERCO INDEMNIFIED LOSSES") that such TowerCo Indemnitee may sustain, suffer or incur and that result from, arise out of or relate to (i) any breach of any of the representations, warranties, covenants or agreements of such Transferring Entity contained in this Agreement with respect to the applicable Closing or (ii) such Transferring Entity's failure to perform any obligations under any Existing Leases prior to the applicable Site Commencement Date.

(b) TowerCo acknowledges and agrees that no Transferring Entity shall have any Liability under any provision of this Agreement for any TowerCo Indemnified Losses to the extent that such TowerCo Indemnified Losses relate to the negligence, willful misconduct or breach of any representation, warranty, covenant or agreement of TowerCo contained in this Agreement or any Transaction Document by TowerCo, CCIC or any other Person (other than the Transferring Entities or their Affiliates) or their respective officers, agents, employees, representatives, contractors, licensees, tenants or subtenants.

(c) TowerCo shall take and shall cause its Affiliates to take all reasonable steps to mitigate any TowerCo Indemnified Losses upon becoming aware of any event which would reasonably be expected to, or does give rise thereto, including incurring costs only to the minimum extent necessary to remedy the breach which gives rise to the TowerCo Indemnified Losses.

(d) Nothing herein shall be deemed to limit or restrict in any manner any rights or remedies which TowerCo has or may have, at law, in equity or otherwise, against any Transferring Entity based on a willful misrepresentation or willful breach of any covenant or agreement of such Transferring Entity hereunder.

12.2 INDEMNIFICATION BY CCIC. (a) From and after the Initial Closing, CCIC shall indemnify and hold harmless each of the BSPCI Indemnitees from and against any and all Liabilities, claims, causes of action, demands, judgments, losses, costs, damages or expenses whatsoever (including reasonable attorneys' fees and disbursements of every kind, nature and description) incurred by such BSPCI Indemnitee in connection therewith (collectively, "BSPCI INDEMNIFIED LOSSES") that such BSPCI Indemnitee may sustain, suffer or incur and that result from, arise out of or relate to any breach of any of the representations, warranties, covenants or agreements of CCIC contained in this Agreement with respect to the applicable Closing.

(b) Each Transferring Entity acknowledges and agrees that neither TowerCo nor CCIC shall have any Liability under any provision of this Agreement for BSPCI Indemnified Losses to the extent that such BSPCI Indemnified Losses relate to the negligence, willful misconduct or breach of any representation, warranty, covenant or agreement of such Transferring Entity contained in this Agreement or any Transaction Document by such Transferring Entity, or any other Person (other than CCIC, TowerCo or their Affiliates) or their respective officers, agents, employees, representatives, contractors, licensees, tenants or subtenants.

(c) Each Transferring Entity shall take all reasonable steps to mitigate any BSPCI Indemnified Losses upon becoming aware of any event which would reasonably be expected to, or does give rise thereto, including incurring costs only to the minimum extent necessary to remedy the breach which gives rise to the BSPCI Indemnified Losses.

(d) Nothing herein shall be deemed to limit or restrict in any manner any rights or remedies which any Transferring Entity has or may have, at law, in equity or otherwise, against CCIC based on a willful misrepresentation or willful breach of any covenants or agreements of CCIC hereunder.

12.3 INDEMNIFICATION BY TOWERCO. (a) From and after the Initial Closing, TowerCo shall indemnify and hold harmless each BSPCI Indemnitee from and against any BSPCI Indemnified Losses that such BSPCI Indemnitee may sustain, suffer or incur and that result from, arise out of or relate to (i) any breach of any of the representations, warranties, covenants or agreements of TowerCo contained in this Agreement with respect to the applicable Closing or (ii) TowerCo's failure to perform any obligations under any Existing Leases after the applicable Site Commencement Date.

(b) Each Transferring Entity shall take and cause its Affiliates to take all reasonable steps to mitigate any BSPCI Indemnified Losses upon becoming aware of any event which would reasonably be expected to, or does give rise thereto, including incurring costs only to the minimum extent necessary to remedy the breach which gives rise to the BSPCI Indemnified Losses.

(c) Nothing herein shall be deemed to limit or restrict in any manner any rights or remedies which a BSPCI Indemnitee has or may have, at law, in equity or otherwise, against TowerCo based on a willful misrepresentation or willful breach of any covenant or agreement by TowerCo hereunder.

12.4 PROCEDURE FOR CLAIMS. Any Person obligated to pay or reimburse any Indemnified Losses hereunder (whether one or more, an "INDEMNIFYING PARTY") shall, subject to the provisions of SECTION 12.5, reimburse the party entitled to recover the Indemnified Losses, as the case may be (whether one or more, an "INDEMNIFIED PARTY"), within ten days of written demand on the Indemnifying Party therefor. If the Indemnifying Party objects to any claim made by an

Indemnified Party hereunder and the Indemnified Party initiates legal action with respect thereto, the Indemnifying Party agrees, to the extent it can do so, to join all affected parties in such action so that the rights and liabilities of the parties under this Agreement with respect to such claim may be resolved in one action.

12.5 DEFENSE OF CLAIMS. (a) If any Action arises after the date hereof for which an Indemnifying Party may be liable under the terms of this Agreement, then the Indemnified Party shall notify the Indemnifying Party within a reasonable time after such Action arises and is known to the Indemnified Party, and shall give the Indemnifying Party a reasonable opportunity: (i) to conduct any proceedings or negotiations in connection therewith and necessary or appropriate to defend the Indemnified Party; (ii) to take all other required steps or proceedings to settle or defend any such Action; and (iii) to employ counsel to contest any such Action in the name of the Indemnified Party or otherwise.

(b) The expenses of all proceedings, contests or lawsuits with respect to such Actions shall be borne by the Indemnifying Party. If the Indemnifying Party wishes to assume the defense of such Action, then the Indemnifying Party shall give written notice to the Indemnified Party within thirty (30) days after notice from the Indemnified Party of such Action (unless the Action reasonably requires a response in less than thirty (30) days after the notice is given to the Indemnifying Party, in which event the Indemnifying Party shall notify the Indemnified Party at least ten days prior to such reasonably required response date), and the Indemnifying Party shall thereafter assume the defense of any such Action, through counsel reasonably satisfactory to the Indemnified Party; provided, that the Indemnified Party may participate in such defense at its own expense. The Indemnified Party shall have the right to control the defense of the Action unless and until the Indemnifying Party shall assume the defense of such Action.

(c) If the Indemnifying Party does not assume the defense of, or if after so assuming the Indemnifying Party fails to defend, any such Action, then the Indemnified Party may defend against such Action in such manner as such Indemnified Party may deem appropriate (provided, that the Indemnifying Party may participate in such defense at its own expense); provided, however, that the Indemnified Party may not settle such Action without the Indemnifying Party's prior written consent, and the Indemnifying Party shall promptly reimburse the Indemnified Party for the amount of all expenses, legal and otherwise, reasonably and necessarily incurred by the Indemnified Party in connection with the defense against and settlement of such Action. If no settlement of such Action is made, the Indemnifying Party shall satisfy any judgment rendered in such Action, before the Indemnified Party is required to do so, and pay all expenses, legal or otherwise, reasonably and necessarily incurred by the Indemnified Party in the defense of such Action.

(d) If an Order is rendered against the Indemnified Party in any Action covered by the indemnification hereunder, or any Lien in respect of such Order attaches to any of the assets of the Indemnified Party, the Indemnifying Party shall immediately upon such entry or attachment pay any amount required by such Order in full or discharge such Lien unless, at the expense and request

of the Indemnifying Party, an appeal is taken under which the execution of the Order or satisfaction of the Lien is stayed. If and when a final Order is rendered in any such Action, the Indemnifying Party shall forthwith pay any amount required by such Order or discharge such Lien before the Indemnified Party is compelled to do so.

12.6 CERTAIN LIMITATIONS. (a) Nothing in this Agreement shall be deemed to require any Transferring Entity to indemnify any TowerCo Indemnitee for or in respect of any of the Real Estate Representations. Without limiting the generality of the foregoing, the sole remedies of TowerCo or CCIC in respect of a breach of any Real Estate Representation by any Transferring Entity shall be to cause (i) such Transferring Entity to continue to use reasonable efforts to cure such breach, as contemplated by SECTION 4.6, until the Final Closing Date, or (ii) the Site as to which such Real Estate Representation is breached to be a Maintained Site (or, at the applicable Transferring Entity's election, an Excluded Site) or to defer the Closing of such Site to a later Closing Date, provided that the failure of any such deferred Site to become an Included Site or Maintained Site on or prior to the Final Closing shall not constitute a default under this Agreement or give CCIC or TowerCo any remedy.

(b) Notwithstanding anything to the contrary contained herein, no Transferring Entity shall have any obligation under this SECTION 12 to TowerCo Indemnitees with respect to the breach of representations, warranties, covenants or agreements by BSPCI, unless, until and only to the extent that the aggregate of all TowerCo Indemnified Losses from all such breaches exceeds on a cumulative basis $10,000,000 (the "DEDUCTIBLE AMOUNT"), and then only to the extent of such excess amount.

(c) Anything in this Agreement to the contrary notwithstanding, in no event shall any Transferring Entity be liable under this Agreement for any indemnification obligation pursuant to this SECTION 12 in excess of the aggregate amount of the Cash Consideration having been paid to such Transferring Entity as of the date on which the claim for indemnification arose (the "MAXIMUM INDEMNIFICATION").

12.7 LIMITATION ON LIABILITY. In no event shall any party hereto or its respective Affiliates be liable to the other parties for any special, incidental or consequential damages suffered or incurred by such other parties to this Agreement or any third parties and caused by or arising out of any breach of any representation, warranty, covenant or agreement contained in this Agreement.

12.8 SURVIVAL. The representations and warranties of the parties contained in this Agreement shall survive any investigation before or after the date of this Agreement made by the other parties and the consummation of the transactions contemplated by this Agreement and shall continue in full force and effect for the periods specified below ("SURVIVAL PERIOD"):

(a) no representations and warranties of a Transferring Entity relating to real estate matters, including without limitation SECTIONS 3.5 and 6.6 through 6.13, shall survive the Closing; and

(b) all other representations and warranties in this Agreement shall be of no further force and effect after the first anniversary of the date hereof.

Anything to the contrary notwithstanding, the Survival Period shall be extended automatically to include any time period necessary to resolve a claim for indemnification which was made before expiration of the Survival Period, but not resolved prior to its expiration, and any such extension shall apply only as to the claims asserted and not so resolved within the Survival Period. Liability for any such item shall continue until such claim shall have been finally settled, decided or adjudicated.

ARTICLE 13
TERMINATION

13.1 TERMINATION FOR CERTAIN CAUSES BY BSPCI. (a) This Agreement may be terminated at any time prior to the Final Closing by BSPCI upon written notice to TowerCo, upon the occurrence of one or more of the following events, effective as of the date designated by BSPCI in its notice of termination:

(i) If any of the conditions set forth in ARTICLE 10 have not been satisfied, performed or waived in writing on or as of any applicable Closing Date;

(ii) If any representation or warranty of CCIC or TowerCo set forth in ARTICLE 7 or 8 shall prove to be untrue or incorrect in any material respect;

(iii) If CCIC's or TowerCo's failure to comply with conditions hereunder constitute (A) a breach of representation or warranty by CCIC TowerCo or either of them in any material respect, (B) a failure by CCIC or TowerCo to perform any of the terms, covenants, conditions, agreements, requirements, restrictions or provisions of this Agreement in any material respect, or (C) a default by CCIC or TowerCo; or

(iv) If CCIC or TowerCo fail to keep, observe, perform, satisfy or comply with, fully and completely, in any material respect, any of the terms, covenants, conditions, agreements, requirements, restrictions or provisions required by this Agreement to be kept, observed, performed, satisfied or complied with by CCIC or TowerCo.

(v) If an unwaived event of default shall have occurred and be continuing under Section 31(d) of the Sublease that would give BSPCI the right to terminate the Sublease as to all Sites;

provided; however that for the events listed in clauses (i) through (iv) above occurring after the Initial Closing, BSPCI shall have the right to terminate this Agreement only if such event or events shall have or would have a substantial likelihood of preventing or delaying a Closing (it being understood that such prevention or delay may be caused by BSPCI's exercise of its other rights under this Agreement in its reasonable discretion), such termination to be effective after notice to TowerCo and an opportunity for TowerCo to cure all such events within (A) ninety (90) days of such notice, in the case of a failure of a condition described in SECTION 10.6(A) and (B) twenty (20) days of such notice, in all other cases.

(b) If this Agreement is terminated by BSPCI pursuant to SECTION 13.1(A), then BSPCI shall be entitled to and CCIC shall pay BSPCI, within five (5) business days following the date of such termination, a termination fee in the amount of $20,000,000 (the "TERMINATION FEE"). Upon any such termination, all Transaction Documents between the parties shall be terminated (including the Site Marketing Agreement to the extent applicable to the Sites only), and, at the option of BSPCI, all prior Closings shall be rescinded. If released to BSPCI, the Escrow Fund shall be applied toward CCIC's obligation to pay the Termination Fee. If BSPCI exercises its option to rescind the prior Closings, payment of the Termination Fee shall be made by netting it against the amounts previously paid to Transferring Entities at the previous Closings, and BSPCI shall pay to CCIC any amounts paid to Transferring Entities at the prior Closings which are in excess of the Termination Fee.

13.2 TERMINATION FOR PASSAGE OF TIME. This Agreement may be terminated by either party (a) if the Initial Closing shall not have occurred on or before September 30, 1999 or (ii) if the conditions to Closing contained in ARTICLES 10 and 11 shall not have been satisfied or waived in writing on or before December 31, 1999. Upon any such termination, no party shall have any further rights, Liabilities or obligations hereunder.

13.3 TOWERCO'S REMEDIES. (a) Notwithstanding anything to the contrary contained herein, if the parties fail to consummate any Closing contemplated by the Closing Schedule as a result of BSPCI's failure to keep, observe, perform, satisfy or comply with, fully and completely, any of the terms, covenants, conditions, agreements, requirements, restrictions or provisions required by this Agreement to be kept, observed, performed, satisfied or complied with by BSPCI, then TowerCo may exercise such all such rights and remedies as may be provided for or allowed by law or in equity. Except as expressly set forth in the Transaction Documents, CCIC may, in addition to any other remedies that may be available at law or in equity, bring an action for specific performance, including attorneys' fees and costs of suit.

(b) Each Transferring Entity hereby acknowledges and agrees that in the event of such Transferring Entity's default hereunder, TowerCo shall be entitled to, without limitation, (i)

an Action for specific performance against such Transferring Entity and (b) the right to seek, prove and recover direct damages from such Transferring Entity incurred by TowerCo in connection with such Action, including, without limitation, court costs and attorneys' fees in connection with such Action.

ARTICLE 14
GENERAL PROVISIONS

14.1 NOTICES. All notices or other communications required or permitted to be given or made hereunder shall be in writing and delivered personally or sent by nationally recognized overnight courier (such as Federal Express) on an overnight basis or pre-paid, first class certified or registered mail, return receipt requested, or by facsimile transmission, to the intended recipient thereof at its address or facsimile number set out below. Any such notice or communication shall be deemed to have been duly given immediately (if given or made in person, or by facsimile confirmed by mailing a copy thereof to the recipient in accordance with this SECTION 14.1 on the date of such facsimile), one day after pickup in the case of delivery by overnight courier, or two days after mailing (if given or made by mail), and in proving same it shall be sufficient to show that the envelope containing the same was delivered to the delivery service and duly addressed, or that receipt of a facsimile was confirmed by the recipient as provided above. The addresses and facsimile numbers of the parties for purposes of this Agreement are:

If to TowerCo:

Crown Castle South Inc.
375 Southpointe Blvd.
Cannonsburg, PA 15317
Facsimile No.: (724) 416-2468
Attention: General Counsel

with a copy to:

Sittig, Cortese & Wratcher
1515 Frick Building
Pittsburgh, PA 15219
Facsimile No.: (412) 402-4011
Attention: William R. Sittig, Jr.

If to BSPCI:

BellSouth Personal Communications, Inc.
1100 Peachtree Street, NE, Suite 910
Atlanta, GA 30309
Facsimile No.: (404) 249-0922
Attention.: Thomas M. Meiss, Esq.

with a copy to:

BellSouth Corporation.
1155 Peachtree Street, NE, 18th Floor
Atlanta, GA 30309
Facsimile No.: (404) 249-2629
Attention: E. John Whelchel, Esq.

If to CCIC:	If to the Carolinas Partnership:
Crown Castle International Corp.	BellSouth Carolinas PCS, L.P.
510 Bering Drive, Suite 500	c/o BellSouth Personal Communications, Inc.
Houston, Texas 77057	1100 Peachtree Street, NE, Suite 910
Facsimile No: (713) 570-3150	Atlanta, GA 30309
Attention: Chief Executive Officer	Facsimile No.: (404) 249-0922
General Counsel	Attention: Thomas M. Meiss, Esq.
with a copy to:	with a copy to:
Cravath, Swaine & Moore	BellSouth Corporation
825 Eighth Avenue, Worldwide Plaza	1155 Peachtree Street, NE, 18th Floor
New York, New York 10019-7475	Atlanta, GA 30309
Facsimile No.: (212) 474-3700	Facsimile No.: (404) 249-2629
Attention: Stephen L. Burns	Attention: E. John Whelchel, Esq.

(b) Either party may change the address to which notices or other communications to such party shall be delivered or mailed by giving notice thereof to the other party hereto in the manner provided herein.

14.2 FACSIMILE AS WRITING. The parties expressly acknowledge and agree that, notwithstanding any statutory or decisional law to the contrary, the printed product of a facsimile transmittal shall be deemed to be "written" and a "writing" for all purposes of this Agreement.

14.3 NO ASSIGNMENT; BINDING EFFECT. Each Transferring Entity may assign, delegate or otherwise transfer any of their rights or obligations under this Agreement, in whole or in part, without the written consent of Crown or TowerCo, to any BSPCI Affiliate it being understood that upon such assignment, such Transferring Entity will not be released from its obligations hereunder. Neither Crown nor TowerCo may assign, delegate or otherwise transfer any of their rights or obligations under this Agreement, in whole or in part, without the written consent of the other parties. This Agreement shall be binding upon and will inure to the benefit of the parties hereto and their respective permitted successors and assigns. A Person may become a Transferring Entity hereunder and a party hereto or to any Transaction Document by executing and delivering to CCIC a Site Designation Supplement or other written instrument reasonably acceptable to CCIC, setting forth its agreement to be bound by the terms hereof or thereof, whereupon such Person shall be a party hereto or thereto.

14.4 HEADINGS. The headings of particular provisions of this Agreement are inserted for convenience only and are not to be construed as a part of this Agreement or serve as a limitation or expansion on the scope of any term or provision of this Agreement.

14.5 EXHIBITS AND SCHEDULES. Each and every exhibit and schedule referred to or otherwise mentioned in this Agreement is attached to this Agreement and is and shall be construed to be made a part of this Agreement by such reference or other mention at each point at which such reference or other mention occurs, in the same manner and with the same effect as if each exhibit and schedule were set forth in full and at length every time it is referred to or otherwise mentioned.

14.6 DEFINED TERMS. Capitalized terms used in this Agreement shall have the meanings ascribed to them at the point where first defined, irrespective of where their use occurs, with the same effect as if the definitions of such terms were set forth in full and at length every time such terms are used.

14.7 ARBITRATION. (a) Any and all disputes arising out of or in connection with the negotiation, execution, interpretation, performance or nonperformance of this Agreement (other than the payment of moneys) shall be solely and finally settled by arbitration which shall be conducted in Washington, D.C., in accordance with the Rules for Non-Administered Arbitration of Business Disputes (the "RULES") as promulgated from time to time by the CPR Institute for Dispute Resolution in New York, New York (the "CPR"), by a panel of three arbitrators selected by the CPR in accordance with the Rules (the "ARBITRATORS"). The Arbitrators shall be lawyers experienced in real estate and corporate transactions in the tower industry and shall not have been employed by or affiliated with any of the Parties or their Affiliates. The Parties hereby renounce all recourse to litigation and agree that the award of the Arbitrators shall be final and subject to no judicial review; provided however, that neither the provisions of this SECTION 14.7 nor the recourse to arbitration, shall prejudice the right of any Party to apply to any court of ordinary jurisdiction for the request of temporary or permanent injunctive or similar judicial relief. A written transcript shall be kept of all proceedings. The Arbitrators shall decide the issues submitted to them, in writing, stating the reasons for their decision, in accordance with: (i) the provisions and purposes of this Agreement; and (ii) the laws of the State of Georgia (without regard to its conflicts of laws rules). Unless the parties otherwise agree in writing, the arbitrators shall render their decision within sixty (60) days.

(b) The parties agree to facilitate the arbitration by: (i) making available to one another and to the Arbitrators for examination, inspection and extraction all documents, books, records and personnel under their control if determined by the Arbitrators to be relevant to the dispute; (ii) conducting arbitration hearings to the greatest extent possible on successive days; and (iii) observing strictly the time periods established by the Rules or by the Arbitrators for submission of evidence or briefs.

(c) Judgment on the award of the Arbitrators may be entered in any court having jurisdiction over the Party against which enforcement of the award is being sought. The Arbitrators are expressly authorized to enter orders of interim or provisional relief each of which may be enforced as a final award. The Arbitrators shall divide all costs (other than fees of

counsel) incurred in conducting the arbitration in their final award in accordance with what they deem just and equitable under the circumstances.

14.8 PARTIAL INVALIDITY AND SEVERABILITY. All rights and restrictions contained herein may be exercised and are applicable and binding only to the extent that they do not violate any applicable Laws and are intended to be limited to the extent necessary to render this Agreement legal, valid and enforceable. If any term of this Agreement, or part thereof, not essential to the commercial purpose of this Agreement is held to be illegal, invalid or unenforceable by a Forum of competent jurisdiction, it is the intention of the parties that the remaining terms hereof, or part thereof, constitute their agreement with respect to the subject matter hereof and all such remaining terms, or parts thereof, remain in full force and effect. To the extent legally permissible, any illegal, invalid or unenforceable provision of this Agreement will be replaced by a valid provision which will implement the commercial purpose of the illegal, invalid or unenforceable provision.

14.9 WAIVER. Any term or condition of this Agreement may be waived at any time by the party which is entitled to the benefit thereof, but only if such waiver is evidenced by a writing signed by such party. No failure on the part of any party hereto to exercise, and no delay in exercising any right, power or remedy created hereunder, will operate as a waiver thereof, nor will any single or partial exercise of any right, power or remedy by either party preclude any other or further exercise thereof or the exercise of any other right, power or remedy. No waiver by either party hereto of any breach of or default in any term or condition of this Agreement will constitute a waiver of or assent to any succeeding breach of or default in the same or any other term or condition hereof.

14.10 RIGHTS CUMULATIVE. All rights, remedies, powers and privileges conferred under this Agreement on the parties shall be cumulative of and in addition to, but not restrictive of or in lieu of, those conferred by law.

14.11 TIME OF ESSENCE; DATES. Time is of the essence of this Agreement. Anywhere a day certain is stated for payment or for performance of any obligation, the day certain so stated enters into and becomes a part of the consideration for this Agreement. If any date set forth in this Agreement shall fall on, or any time period set forth in this Agreement shall expire on, a day which is a Saturday, Sunday, federal or state holiday, or other non-business day, such date shall automatically be extended to, and the expiration of such time period shall automatically to be extended to, the next day which is not a Saturday, Sunday, federal or state holiday or other non-business day. The final day of any time period under this Agreement or any deadline under this Agreement shall be the specified day or date, and shall include the period of time through and including such specified day or date. All references to the "EFFECTIVE DATE" shall be deemed to refer to the later of the date of TowerCo's or BSPCI's execution of this Agreement, as indicated below their executions hereon.

14.12 GOVERNING LAW. The validity and effect of this Agreement shall be governed by, construed under and interpreted and enforced in accordance with the laws of the State of Georgia, without regard to its conflicts of laws rules.

14.13 COUNTERPARTS. This Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of such counterparts together shall constitute one and the same instrument.

14.14 ATTORNEYS' FEES. In the event of any litigation between the parties arising under or in connection with this Agreement, the prevailing party shall be entitled to recover from the other party the expenses of litigation (including reasonable attorneys' fees, expenses and disbursements) incurred by the prevailing party.

14.15 AUTHORITY. Each party hereto warrants and represents that such party has full and complete authority to enter into this Agreement and each person executing this Agreement on behalf of a party warrants and represents that he has been fully authorized to execute this Agreement on behalf of such party and that such party is bound by the signature of such representative.

14.16 COUNSEL. Each party hereto warrants and represents that each party has been afforded the opportunity to be represented by counsel of its choice in connection with the execution of this Agreement and has had ample opportunity to read, review, and understand the provisions of this Agreement.

14.17 NUMBER AND GENDER. Where the context requires, the use of the singular form herein includes the plural, the use of the plural includes the singular, and the use of any gender includes any and all genders.

14.18 NO CONSTRUCTION AGAINST PREPARER. No provision of this 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.

14.19 ENTIRE AGREEMENT; MODIFICATION. This Agreement supersedes all prior discussions and agreements between the parties with respect to the subject matter hereof, and this Agreement contains the sole and entire agreement between the parties with respect to the matters covered hereby. This Agreement will not be altered or amended except by an instrument in writing signed by or on behalf of the party entitled to the benefit of the provision against whom enforcement is sought.

14.20 POWER OF ATTORNEY. (a) The Carolinas Partnership hereby irrevocably constitutes and appoints BSPCI as its agent to modify, amend or otherwise change the Agreement to Sublease, any other Transaction Documents or any of their respective terms or provisions

(including modifications, amendments or changes subsequent to any Closing), to take all actions and to execute all documents necessary or desirable to consummate the transactions contemplated by the Agreement to Sublease, and to take all actions and to execute all documents which may be necessary or desirable in connection therewith, to give and receive consents and all notices hereunder, to negotiate and settle claims for indemnification thereunder and to perform any other act arising under or pertaining to the Transaction Documents and the transactions contemplated thereby. The Carolinas Partnership agrees that service of process upon BSPCI in any action or proceeding arising under or pertaining to the Transaction Documents shall be deemed to be valid service of process upon the Carolinas Partnership, and any claim by CCIC against the Carolinas Partnership in respect to the Transaction Documents may be settled by BSPCI. BSPCI shall be deemed to have accepted the appointment herein upon its execution of this Agreement.

(b) It is expressly understood and agreed that the foregoing power of attorney and the agency created thereby is coupled with an interest of the respective parties hereto and shall be binding on and enforceable against the respective successors and assigns of the undersigned, and each of them, and said power of attorney shall not be revoked or terminated in any event, including, without limitation, the dissolution, bankruptcy or insolvency of any Transferring Entity, shall continue to be binding and enforceable in the manner provided herein and shall survive any and all Closings.

(c) Nothing contained herein shall be deemed to make BSPCI liable to the Carolinas Partnership because of service in its capacity as agent or otherwise. In performing any of its duties under this letter agreement, BSPCI shall not incur or be responsible for any liabilities, claims, causes of action, demands, judgments, losses, costs, damages or expenses whatsoever ("Losses") to the Carolinas Partnership, except for BSPCI's fraud, willful default or gross negligence, and the Carolinas Partnership shall indemnify BSPCI against all Losses.

(d) Notwithstanding any other provision of this Agreement or any other Transaction Document to the contrary, and notwithstanding any liability or obligation that BSPCI would have as a general partner of the Carolinas Partnership under this Agreement or any other Transaction Document (in each case, whether or not expressly set forth in such Transaction Document), by operation of law or otherwise, (i) BSPCI will have no personal liability for the payment or performance of any obligation of the Carolinas Partnership under this Agreement or any other Transaction Document (the "Obligations"), and (ii) CCIC and TowerCo may proceed only against, and rely solely on, the Carolinas Partnership for payment or performance of any of the Obligations, and shall not sue or otherwise proceed against BSPCI, for or in respect of the Carolinas Partnership's failure to pay or perform any Obligation.

[SIGNATURES APPEAR ON FOLLOWING PAGES]

IN WITNESS WHEREOF, the Parties have caused this Agreement to Sublease to be executed and sealed by their duly authorized representatives, all effective as of the day and year first written above.

TOWERCO:

CROWN CASTLE SOUTH INC.

By:_____
Name:_____
Title:_____

CCIC:

CROWN CASTLE INTERNATIONAL CORP.

By:_____
Name:_____
Title:_____

[Signatures continued on following page]

[Signatures continued from preceding page]

BSPCI:

BELLSOUTH PERSONAL COMMUNICATIONS,
INC.

By:_____
Name:_____
Title:_____

THE CAROLINAS PARTNERSHIP:

BELLSOUTH CAROLINAS PCS, L.P.,

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

By:_____
Name:_____
Title:_____

EXHIBIT 2.8

SUBLEASE

by and among

BELLSOUTH PERSONAL COMMUNICATIONS, INC.
ON ITS OWN BEHALF AND AS GENERAL PARTNER OF

BELLSOUTH CAROLINAS PCS, L.P.,

CROWN CASTLE INTERNATIONAL CORP.,

and

CROWN CASTLE SOUTH INC.

Dated August 1, 1999

TABLE OF CONTENTS

SUBLEASE

THIS SUBLEASE is made and entered into this 1st day of August, 1999 (this "SUBLEASE"), by and among BELLSOUTH PERSONAL COMMUNICATIONS, INC. a Delaware corporation ("BSPCI") for itself, and as general partner of BELLSOUTH CAROLINAS PCS, L.P., a Delaware limited partnership (the "CAROLINAS PARTNERSHIP"), CROWN CASTLE INTERNATIONAL CORP., a Delaware corporation ("CCIC"), and CROWN CASTLE SOUTH INC., a wholly-owned subsidiary of CCIC and a Delaware corporation ("TOWERCO").

In consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties to this Sublease agree as follows:

1. DEFINITIONS. For purposes of this Sublease, the following capitalized terms have the following respective meanings:

"AFFILIATE" of a Person means any Person which, whether directly or indirectly, Controls, is Controlled by, or is under common Control with the subject Party.

"AGGREGATE RENT" has the meaning given to such term in SECTION 11(C).

"AGGREGATE SITE MAINTENANCE CHARGE" has the meaning given to such term in SECTION 11(C).

"AGREEMENT TO SUBLEASE" means the Agreement to Sublease, by and among CCIC, TowerCo, BSPCI and the Carolinas Partnership.

"ALTERATIONS" means the construction or installation of new Towers and/or Improvements on any Site or any part thereof, or the alteration, replacement, modification or addition to the existing Improvements or Tower on a Site.

"AVAILABLE COLOCATION SPACE" has the meaning given to such term in SECTION 4(B).

"AVAILABLE SPACE" means, as to any Site, a Tower location, a portion of the Land, a portion of the Improvements or any other portion, space or area of such Site that is available for further sublease by TowerCo to any Space Subtenant (including BSPCI, in such capacity) and all rights appurtenant to such portion, space or area.

"AWARD" means any amounts paid, recovered or recoverable as damages, compensation or proceeds by reason of any taking on account of a Taking, including all amounts paid pursuant to any agreement with such entity which has been made in settlement or under threat of any such action or proceeding, less the reasonable costs and expenses incurred in collecting such amounts.

"BELLSOUTH ENTITY" means BSPCI and/or the Carolinas Partnership, as applicable.

"BELLSOUTH ENTITY AFFILIATES" means, collectively, Affiliates of BSPCI, Affiliates of the Carolinas Partnership, any limited partner of the Carolinas Partnership and any Person in which BellSouth Corporation, a Georgia corporation, owns, directly or indirectly, more than thirty percent (30%) of the Voting Stock of such Person or which BellSouth Corporation otherwise Controls.

"BELLSOUTH ENTITY COMPETITOR" means any Person whose revenues, generated directly or indirectly, from providing wireline local exchange carrier or wireless telephone provider telecommunications services, constitute at least twenty percent (20%) of the total revenues of such Person.

"BELLSOUTH ENTITY'S IMPROVEMENTS" means each of the following, in each case located on the Land portion of the Reserved Space, installed by or for the benefit of the applicable BellSouth Entity and used by such BellSouth Entity: (i) Communications Equipment; (ii) (v) equipment shelters or cabinets, equipment buildings, and other constructions, (w) generators and associated fuel tanks, (x) grounding rings for equipment shelters or cabinets, (y) connections for utilities service from the meter to the BellSouth Entity's Communications Equipment, and (z) one or more foundations, concrete equipment pads or raised platforms for such Communications Equipment, equipment shelters or cabinets, buildings and constructions and (iii) as to any BTS Site, Constructed Improvements (as defined in the Construction Agreement) on such BTS Site.

"BELLSOUTH ENTITY INDEMNITEE" means BSPCI, the Carolinas Partnership, their respective Affiliates, and the respective directors, officers, partners, employees, contractors, subcontractors, advisors and consultants of BSPCI, the Carolinas Partnership, and their respective Affiliates (except TowerCo and any contractors, subcontractors, advisors and consultants of TowerCo).

"BELLSOUTH ENTITY'S NOTICE" has the meaning given to such term in SECTION 3(H).

"BSPCI ENTITY WORK" has the meaning given to such term in SECTION 13(C).

"BTS SITE" has the meaning given to such term in the Construction Agreement.

"BUSINESS DAY" means any week day on which the headquarters offices of both CCIC and BSPCI are open for business.

"CAPITAL STOCK" means: (i) in the case of a corporation, corporate stock; (ii) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock; (iii) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited); and (iv) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person.

"CASH FLOW" means, as to any Person, the earnings before interest expense, depreciation, amortization and taxes of such Person and its Subsidiaries on a consolidated basis, determined in accordance with GAAP.

"CLAIMS" means any claims, actions, suits, proceedings, disbursements, judgments, demands, damages, penalties, fines, losses, liabilities, costs and expenses, including reasonable attorneys' fees and amounts paid in settlements.

"COLOCATION AGREEMENTS" means any existing contractual arrangements and agreements pursuant to which BSPCI, the Carolinas Partnership or any of their Affiliates share any Site with other providers of wireless telecommunications services and to which BSPCI, the Carolinas Partnership or such Affiliate is a Party, as set forth in SCHEDULE A to EXHIBIT A attached hereto.

"COMMUNICATIONS EQUIPMENT" means, as to any Site, transmitting and/or receiving equipment and other equipment installed at the Reserved Space (as to BSPCI) or any Available Space (as to a Space Subtenant), which is or will be necessary in providing current and future wireless communication services, including without limitation, switches, antennas, microwave dishes, panels, conduits, flexible transmission lines, cables, radio, amplifiers, filters and other transmission or communications equipment (including interconnect transmission equipment, transmitter(s), receiver(s) and accessories) and such other equipment and associated software as may be necessary in order to provide such wireless communication services, including without limitation, voice or data. Communications Equipment shall include any existing, replaced and upgraded Communications Equipment.

"COMMUNICATIONS FACILITY" means, as to any Site, the Reserved Space (as to BSPCI) or any Available Space (as to a Space Subtenant), together with such BellSouth Entity's or such Space Subtenant's Improvements.

"COMPLETION" has the meaning given to such term in the Construction Agreement.

"CONSTRUCTION AGREEMENT" means the Agreement to Build to Suit of even date herewith among BSPCI, the Carolinas Partnership, TowerCo and CCIC.

"CONTROL" means the ownership, directly or indirectly, of sufficient voting shares of an entity, or otherwise the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity, or the power to veto major policy decisions of any such entity, whether through the ownership of voting securities, by contract or otherwise.

"CPI" means the Consumer Price Index for all Consumers, U.S., City Average (1982-84 = 100) All Items Index, published by the Bureau of Labor Statistics, United States Department of Labor. If the CPI shall cease to be compiled and published at any time during the term of this Sublease, but a comparable successor index is compiled and published by the Bureau of Labor Statistics, United States Department of Labor, the adjustments to the Rent provided for

in SECTION 11, if any, shall be computed according to such successor index, with appropriate adjustments in the index to reflect any differences in the method of computation from the CPI. If, at any time during the term of this Sublease, neither the CPI nor a comparable successor index is compiled and published by the Bureau of Labor Statistics, the index for "all items" compiled and published by any other branch or department of the federal government shall be used as a basis for calculation of the adjustments to the Rent provided for in SECTION 11, and if no such index is compiled and published by any branch or department of the federal government, the statistics reflecting cost of living increases as compiled by any institution or organization or individual generally recognized as an authority by financial and insurance institutions shall be used.

"CPI INCREASE" means an increase, if any, (expressed as a percentage) in the most recently published CPI value as of January 1 of the applicable Site Term Year, from the CPI value published for January 1 of the immediately preceding Site Term Year.

"DATE OF TAKING" means the earlier of the date upon which title to applicable Site, or any portion thereof, subject to a Taking is vested in the condemning authority, or the date upon which possession of such Site or portion thereof is taken by the condemning authority.

"DEFAULT NOTICE" has the meaning given to such term in SECTION 3(H).

"EFFECTIVE DATE" means the date of this Sublease, as set forth in the caption of the Sublease.

"EMERGENCY" has the meaning given to such term in SECTION 30(B).

"EXISTING SUBLEASE" means, with respect to any Site, any subleases, licenses, leases or other agreements for use of a Tower location and other space on such Site between the applicable BellSouth Entity and any other Person that is in effect as of the date of the Site Designation Supplement for such Site.

"FAA" means the United States Federal Aviation Administration.

"FCC" means the United States Federal Communications Commission.

"GROUND LEASE" means, as to a Leased Site, the ground lease or other agreement, pursuant to which the applicable BellSouth Entity or BellSouth Entity Affiliate holds a leasehold interest, leasehold estate or other real property interest.

"GROUND LESSOR" means, as to a Leased Site, the "lessor" or "landlord" under the Ground Lease thereof.

"GROUND RENTS" has the meaning given to such term in SECTION 11(C).

"INITIAL SITE" means any Site set forth in EXHIBIT A.

"IMPROVEMENTS" means, as to each Site, (i) one or more concrete equipment pads or raised platforms capable of accommodating exterior cabinets, electrical service and access for the placement and servicing of a BellSouth Entity's and, if applicable, each Space Subtenant's Improvements; (ii) shelters or exterior cabinets; (iii) generators and associated fuel tanks; (iv) grounding rings (other than those for BellSouth Entity equipment shelters); (v) fencing; (vi) signage; (vii) connections for utility service up to the meter; (viii) access road improvements; (ix) common shelters, if any; and (x) such other customary equipment and improvements as may be installed on a Site (including the Land and the Tower) by a BellSouth Entity, in each case only as installed or constructed by TowerCo for shared use by such BellSouth Entity and Space Subtenants. Improvements do not include Communications Equipment.

"INVESTMENT GRADE" means outstanding senior unsecured debt securities rated BBB or higher by Standard & Poor's or Baa or higher by Moody's.

"LAND" means, as to each Site, the land constituting a portion of such Site, together with all easements and other rights appurtenant thereto.

"LAWS" means all federal, state, county, municipal and other governmental constitutions, statutes, ordinances, codes, regulations, resolutions, rules, requirements and directives and all decisions, judgments, writs, injunctions, orders, decrees or demands of courts, administrative bodies and other authorities construing any of the foregoing.

"LEASED SITE" means a Site as to which any BellSouth Entity holds a leasehold interest, leasehold estate or other possessory interest therein pursuant to a Ground Lease.

"LESSOR" means, as to each Site, any BellSouth Entity or any of its Affiliates that either: (i) owns fee simple title thereto; or (ii) holds a leasehold interest, leasehold estate or other possessory interest therein pursuant to a Ground Lease.

"LIENS" means, as to each Site, an interest or a claim by a Person other than a BellSouth Entity or any of its Affiliates, whether such interest or claim is based on the common law, statute or contract, including, without limitations, liens, charges, Claims, leases, licenses, Mortgages, conditional agreements, title retention agreements, preference, priority or other security agreements or preferential arrangements of any kind, reservations, exceptions, encroachments, covenants, conditions, restrictions and other title exceptions and encumbrances affecting all or any part of the Land, the Tower or Improvements thereof.

"MARKET CAPITALIZATION" means, as to any Person, as of any date of determination, either (i) the number of issued and outstanding shares of such Person's Capital Stock (as set forth in such Person's most recent filings with the U.S. Securities and Exchange Commission) multiplied by the closing price of the Capital Stock of such Person on any exchange on which such stock is listed or (ii) the total market value of the equity of such Person, determined by a commercially reasonable appraisal process.

"MARKET TRANSACTION" has the meaning given to such term in SECTION 26(B).

"MORTGAGE" means, as to any Site, any mortgage, deed to secure debt, deed of trust, trust deed or other conveyance of, or encumbrance against, the Land or Improvements on such Site as security for any debt, whether now existing or hereafter arising or created.

"MORTGAGEE" means, as to any Site, the holder of any Mortgage, together with the heirs, legal representatives, successors, transferees and assigns of the holder.

"NDA" means a non-disturbance, subordination and attornment agreement executed between a Mortgagee and TowerCo.

"NET WORTH" means, with respect to a Person, the total assets minus the total liabilities of such Person and its Subsidiaries on a consolidated basis, as shown on the then current balance sheet of such Person and determined in accordance with GAAP.

"OWNED SITE" means a Site in which any BellSouth Entity owns fee simple title.

"PARTITIONING EVENT" means each closing of a transaction whereby a BellSouth Entity Affiliate obtains, in its own name, a license from the FCC to provide wireless communications service within a portion of the Territory and purchases from the Carolinas Partnership the portion of the Carolinas Partnership's wireless communications system that is located within such area (i.e., towers and base station controllers) by making payment to the Carolinas Partnership in reimbursement of its costs related thereto.

"PARTY" means each of BSPCI, the Carolinas Partnership, TowerCo and CCIC, as appropriate. "PARTIES" means BSPCI, the Carolinas Partnership, TowerCo and CCIC together.

"PERMITTED LIENS" has the meaning given to such term in SECTION 19(A).

"PERMITTED SUBLEASEHOLD MORTGAGEE" means a Mortgagee that has assets at the time of the execution of the Permitted Subleasehold Mortgage of not less than $2 billion, and is: (i) a national bank; (ii) a commercial, national or state savings bank or trust company; (iii) an investment or merchant bank; (iv) a foreign bank qualified to do business in the states in which the Sites are located and authorized to make loans in the United States; (v) a charitable foundation; (vi) a real estate investment fund; (vii) an insurance company; (viii) a credit company; (ix) a pension or retirement fund or a fund which, in turn, is funded substantially by a pension or retirement fund; (x) a real estate investment trust; (xi) a venture capital firm; (xii) a mortgage banking house; (xiii) an international bank or investment company; or (xiv) any other institutional lender performing lending functions similar to any of the foregoing. Notwithstanding the foregoing, in no event shall a Permitted Subleasehold Mortgagee be a BellSouth Entity Competitor.

"PERMITTED TRANSFEREE" means: (i) a Person who has outstanding debt that is Investment Grade; (ii) with respect to a Market Transaction involving twenty percent (20%) or more of all Sites now or hereafter subject to this Sublease and less than forty percent (40%) of all Sites now or hereafter subject to this Sublease, a Person reasonably believed by BSPCI to have a current Net Worth or Market Capitalization of at least $50 million or Cash Flow for the last full

fiscal year of such Person of at least $10 million; (iii) with respect to a Market Transaction involving forty percent (40%) or more of all Sites now or hereafter subject to this Sublease and less than eighty percent (80%) or more of all Sites now or hereafter subject to this Sublease, a Person reasonably believed by BSPCI to have a current Net Worth or Market Capitalization of at least $250 million or Cash Flow for the last full fiscal year of such Person of at least $50 million; or (iv) with respect to a Market Transaction or any other transaction (including without limitation a transaction contemplated by SECTION 26(B)(III)(Z)) involving eighty percent (80%) or more of all Sites now or hereafter subject to this Sublease, a Person reasonably believed by BSPCI to have a current Net Worth or Market Capitalization of at least $500 million or Cash Flow for the last full fiscal year of such Person of at least $100 million.

"PERMITTED TOWERCO TRANSFEREE" means: (i) a Person who has outstanding debt that is Investment Grade; (ii) with respect to a Transfer of the Subleased Property involving more than twenty percent (20%) but less than forty percent (40%) of all Sites now or hereafter subject to this Sublease, a Person reasonably believed by TowerCo to have a current Net Worth or Market Capitalization of at least $50 million or Cash Flow for the last full fiscal year of such Person of at least $5 million; (iii) with respect to a Transfer of the Subleased Property involving forty percent (40%) or more of all Sites now or hereafter subject to this Sublease and less than eighty percent (80%) or more of all Sites now or hereafter subject to this Sublease, a Person reasonably believed by TowerCo to have a current Net Worth or Market Capitalization of at least $250 million or Cash Flow for the last full fiscal year of such Person of at least $50 million; or (iv) with respect to a Transfer of the Subleased Property or any other transaction of the types referred to in SECTION 26(A), involving eighty percent (80%) or more of all Sites now or hereafter subject to this Sublease, a Person reasonably believed by TowerCo to have a current Net Worth or Market Capitalization of at least $500 million or Cash Flow for the last full fiscal year of such Person of at least $100 million.

"PERMITTED USE" means use of the Subleased Property of each Site for the purposes of: (i) constructing, installing, operating, managing, maintaining and marketing the Tower and Improvements thereof and making further Improvements to such Site, and (ii) for further use of such Subleased Property by Space Subtenants (including BSPCI with respect to any Available Space), and the right to use by Space Subtenants of any portions of the Land, Tower and Improvements of each Site as are reasonably necessary for operation of the Communications Facilities of such Space Subtenants.

"PERSON" means an individual, partnership, joint venture, limited liability company, association, corporation, trust or any other legal entity.

"PROCEEDS" means all insurance moneys recovered or recoverable by TowerCo or a BellSouth Entity as compensation for casualty damage to any Site (including the Tower and Improvements thereof).

"PUT DATE" means the effective date of BSPCI's election to vacate and terminate its interest in the Reserved Space of a Site and add such Reserved Space to the Subleased Property of such Site, pursuant to the Put Notice.

"PUT NOTICE" means a notice given by BSPCI pursuant to SECTION 9 exercising the Put Right.

"PUT RIGHT" means the right of BSPCI to elect to vacate and terminate its interest in the Reserved Space with respect to a Site and add such Reserved Space to the Subleased Property of such Site as described in and limited by SECTION 9.

"REIMBURSABLE MAINTENANCE EXPENSES" has the meaning given to such term in SECTION 30(A).

"RENT" has the meaning given such term in SECTION 11(C).

"RESERVED SPACE" means, as to each Site: (i) a portion of the Land and Improvements of such Site used by a BellSouth Entity, designated and shown by the Lessor thereof as such Lessor's area on a site plan attached to the applicable Site Designation Supplement, as such site plan may be amended from time to time pursuant to this Sublease, as reserved for exclusive use and occupancy by such BellSouth Entity, including without limitation, MSC's and other switches, such BellSouth Entity's Improvements located on the Land, and parking spaces; (ii) the Tower location on the Tower of such Site used by a BellSouth Entity, designated and shown by such BellSouth Entity as such BellSouth Entity's area on a Tower plan attached to the applicable Site Designation Supplement, as such Tower plan may be amended from time to time pursuant to this Sublease, as reserved for exclusive use and occupancy of such Site by such BellSouth Entity, including without limitation, any antennas (depicting any antenna arrays and, if reasonably available, setting forth their model numbers), antenna mounting hardware constituting a tower platform to hold such antennas or a sector frame for such antennas, transmission lines, amplifiers and filters located on the Tower subject to SECTION 5 hereof, and consistent with other nine (9) panel antenna arrays currently existing on other Towers on the date hereof; (iii) a portion of the Land, having an area of five (5) feet, in the case of BTS Sites, and three (3) feet, in the case of all other Sites around any equipment cabinet which is on or permitted to be on the Land that is in the Reserved Space; and (iv) any and all rights pursuant to SECTION 5(B) and 25 and all appurtenant rights reasonably inferable to permit each BellSouth Entity's full use and enjoyment of the Reserved Space, including without limitation, the appurtenances specifically described in SECTION 5, all in accordance with SECTION 5. Notwithstanding the foregoing, but subject to the next succeeding sentence, the exclusive portion of the Land and Improvements is limited to that portion of the Tower and the Land where a BellSouth Entity's Communications Equipment and a BellSouth Entity's Improvements are located. Notwithstanding anything to the contrary contained herein and regardless of the actual number of antennas and other equipment existing or placed on the Reserved Space of any Site on the date hereof, the Reserved Space of any Site (including BTS Sites) shall include space for, and be capable of supporting: (i) up to nine (9) panel antennas arrays and related equipment, (ii) up to twelve (12) coaxial lines, (iii) a low profile platform consistent with platforms customarily placed on other Towers, and (iv) as to any BTS Site only, a microwave dish placed seventeen feet (17') below (measured center line to center line) the location of such panels, subject to SECTION 5(E).

"RESTORATION" means, as to a Site that has suffered casualty damage, such restoration, repairs, replacements, rebuilding, changes and alterations, including the cost of temporary repairs for the protection of such Site, or any portion thereof, pending completion thereof, required to restore the applicable Site (including the Tower and Improvements thereon) to a condition which is at least as good as the condition which existed immediately prior to such damage, and such other changes or alterations as may be reasonably acceptable to BSPCI and TowerCo or required by Law.

"RIGHT OF FIRST REFUSAL" means the right of BSPCI, exercisable in its sole discretion, to sublease any Available Space from TowerCo pursuant to SECTION 25.

"RIGHT OF SUBSTITUTION" means the right of BSPCI, exercisable in its sole discretion, to substitute the Reserved Space of any Site for an Available Space on such Site by relocation of its Communications Facility on such Site to such Available Space, all pursuant to SECTION 25.

"SITE" means any site now or hereafter subject to this Sublease, including without limitation: (i) any Initial Site; and (ii) any Site added to this Sublease pursuant to a Site Designation Supplement with respect thereto. Reference to a Site shall include the Land thereof, and the Tower and Improvements on the Land, but shall not include Communications Equipment thereon.

"SITE COMMENCEMENT DATE" means the date on which the Term of this Sublease commences as to such Site, as set forth in the applicable Site Designation Supplement.

"SITE DESIGNATION SUPPLEMENT" means, as to any Site, a supplement to this Sublease, in substantially the form of EXHIBIT B attached hereto and otherwise in recordable form, pursuant to which such Site is made subject to this Sublease, and the subleased portions thereof added to the Subleased Property.

"SITE MAINTENANCE CHARGE" has the meaning given to such term in SECTION 11(C).

"SITE PAYMENT" has the meaning given to such term in SECTION 11(C).

"SITE EXPIRATION DATE" means, as to any Site, the date on which the Term of this Sublease expires.

"SITE TERM YEAR" means, as to each Site: (i) if the Site Commencement Date is the first day of a calendar month, the twelve (12) calendar month period commencing on the Site Commencement Date, and ending on the day immediately preceding the first anniversary of the Site Commencement Date, and each succeeding such twelve (12) calendar month period during the term of this Sublease; or (ii) if the Site Commencement Date is not the first day of a calendar month, the twelve (12) calendar month period commencing on the first day of the first calendar month following the Site Commencement Date, and ending on day immediately preceding the first anniversary of such date, and each succeeding such twelve (12) calendar month period during

the term of this Lease, provided, however, that, if the Site Commencement Date is a day other than the first day of a calendar month, the first Site Term Year shall include the period from the Site Commencement Date through the last day of the calendar month during which the Site Commencement Date occurs.

"SPACE SUBTENANT" means, as to any Site, any Person (including BSPCI in respect of any Available Space), which: (i) is a "sublessee" under an Existing Sublease affecting such Site; or (ii) subleases, licenses or otherwise acquires from TowerCo the right to use an Available Space on such Site.

"SPACE SUBTENANT'S IMPROVEMENTS" means, as to any Space Subtenant at any Site, such Space Subtenant's Communications Equipment, together with equipment buildings, equipment shelters and other constructions located on the Land of the Available Space of such Site and used by such Space Subtenant.

"SUBLEASE" means this Sublease, together with any and all Exhibits, Schedules and attachments hereto, as the same may hereafter be modified and amended, including, without limitation, pursuant to Site Designation Supplements. References to this Sublease in respect of a particular Site shall include the Site Designation Supplement therefor; and references to this Sublease in general and as applied to all Sites shall include all Site Designation Supplements.

"SUBLEASED PROPERTY" means each Site that is now or hereafter subject to this Sublease, including the Land, Tower and Improvements thereof, LESS AND EXCEPT in each instance the Reserved Space thereof, the applicable BellSouth Entity's and Space Subtenants' Improvements on such Site and improvements of Space Subtenants under the Existing Subleases.

"SUBLEASE YEAR" means each succeeding twelve (12) calendar month period commencing on the date hereof.

"SUBLEASEHOLD ESTATE" means: (i) the rights, title, interest, powers, privileges, benefits and options of TowerCo under this Sublease (whether as lessee of an Owned Site or as sublessee of a Leased Site); and (ii) all of the right, title and interest of TowerCo in and to the Sites under this Sublease (whether as lessee of an Owned Site or as sublessee of a Leased Site).

"SUBSIDIARY" means, with respect to any Person, any corporation, partnership, joint venture or other entity in which such Person owns, either directly or indirectly, more than fifty percent (50%) of the outstanding Capital Stock or other ownership or equity interests therein, as the case may be, or has the power to direct or cause the direction of the management and policies thereof.

"SUBSTANTIAL PORTION OF SITE" means, as to a Site, so much of such Site (including the Land, Tower and Improvements thereof, or any portion thereof) as, when subject to a Taking, leaves the untaken portion unsuitable for the continued feasible and economic operation of such Site for the Permitted Use.

"SUBSTITUTION" means the relocation by BSPCI on a Site, pursuant to its Right of Substitution.

"TAKING" means, as to any Site, any condemnation or exercise of the power of eminent domain by any public authority vested with such power, or any taking in any other manner for public use, including a private purchase, in lieu of condemnation, by a public authority vested with the power of eminent domain.

"TAXES AND ASSESSMENTS" means, as to each Site, any and all of the following levied, assessed or imposed upon, against or with respect the Site (including the Reserved Space), any part of the Site (including the Reserved Space), or the use and occupancy of the Site (including the Reserved Space) at any time during the Term as to such Site: (i) real property and personal property ad valorem taxes and assessments, except as relates specifically to the BellSouth Entity's Communications Equipment; (ii) charges made by any public or quasi-public authority for improvements or betterments related to the Site; (iii) sanitary taxes or charges, sewer or water taxes or charges; (iv) any tax levied, assessed or imposed upon or against the Rent reserved hereunder or upon the BellSouth Entity's interest in the Site or this Sublease (other than income taxes or any future tax which is established in lieu of income taxes); and (v) any other governmental or quasi-governmental impositions, charges, encumbrances, levies, assessments, fees or taxes of any nature whatsoever related to the Site, whether general or special, whether ordinary or extraordinary, whether foreseen or unforeseen and whether payable in installments or not, except as it relates specifically to the BellSouth Entity's Communications Equipment.

"TERM" means: (i) as to this Sublease, the term set forth in SECTION 8(A); and (ii) as to each Site, the term during which this Sublease is applicable to such Site.

"TOWER" means a radio tower structure or structures on a Site.

"TOWERCO INDEMNITEE" means TowerCo, its Affiliates, and the respective directors, officers, employees, agents, contractors, subcontractors, advisors and consultants of TowerCo or its respective Affiliates (except BSPCI and any contractors, subcontractors, advisors and consultants of BSPCI).

"TOWERCO WORK" has the meaning given to such term in SECTION 13(B).

"VOTING STOCK" of any Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the Board of Directors of such Person.

"WITHDRAWAL DATE" means the effective date of BSPCI's election to terminate its reservation of the Reserved Space and add such Reserved Space to the Subleased Property of such Site pursuant to Withdrawal Notice.

"WITHDRAWAL NOTICE" means a notice given by BSPCI pursuant to SECTION 10 exercising the Withdrawal Right.

"WITHDRAWAL RIGHT" means the right of BSPCI to elect to terminate its reservation of the Reserved Space with respect to a Site and add such Reserved Space to the Subleased Property of such Site as described in SECTION 10.

Any other capitalized terms used in this Sublease shall have the respective meanings given to them elsewhere in this Sublease.

2. SUBLEASE DOCUMENTS.

(a) This Sublease shall consist of the following documents, as amended from time to time as provided herein:

(i) this Sublease document;

(ii) the following Exhibits, which are incorporated herein by this reference:

Exhibit A List of Sites
Exhibit B Form of Site Designation Supplement
Exhibit C Site Maintenance Obligations
Exhibit D Standard Procedures

(iii) Schedules to the Exhibits, which are incorporated herein by reference; and

(iv) such additional documents as are incorporated by reference.

(b) If any of the foregoing are inconsistent, this Sublease shall prevail over the Exhibits, the Schedules and additional incorporated documents.

3. SUBLEASED PROPERTY.

(a) Subject to the terms and conditions of this Sublease, each BellSouth Entity hereby lets, leases and demises unto TowerCo, and except as otherwise provided in SECTIONS 3(H) and 23(B), TowerCo hereby leases, takes and accepts from each BellSouth Entity the Subleased Property of each Site, in its "AS IS" condition, without any representation, warranty or covenant of or from any BellSouth Entity or any of its Affiliates whatsoever as to the condition thereof or the suitability thereof for any particular use, except as may be expressly set forth in the Agreement to Sublease. To each BellSouth Entity's knowledge, the Towers are satisfactory in all material respects for its continuing use consistent with its Permitted Use of such Towers. Except as set forth above, TowerCo hereby acknowledges that neither BSPCI, the Carolinas Partnership nor any agent of BSPCI or the Carolinas Partnership has made any representation or warranty, express or implied, with respect to any of the Subleased Property, or any portion thereof, or the suitability or fitness for the conduct of TowerCo's business or for any other

purpose, including the Permitted Use; and TowerCo further acknowledges that it has had or by its execution and delivery of a Site Designation Supplement, will have had sufficient opportunity to inspect and approve the condition of the Subleased Property of each Site.

(b) Each Site shall be made subject to this Sublease, and the subleased portions thereof added to the Subleased Property, by the execution and delivery of a Site Designation Supplement with respect thereto between the applicable BellSouth Entity and TowerCo. Each BellSouth Entity and TowerCo acknowledge that a Site Designation Supplement is being executed and delivered with respect to each Initial Site contemporaneously with the execution and delivery of this Sublease. Each BellSouth Entity and TowerCo acknowledge and agree that this Sublease is intended to constitute a single sublease covering the Subleased Property of all of the Sites and a single agreement covering all the Sites, and not a separate sublease and agreement covering the individual Sites.

(c) This Sublease is subject to all matters affecting each BellSouth Entity's right, title and interest in and to any Owned Site (including without limitation, Existing Subleases and the interests of third parties as to any Owned Sites that are subject to any Colocation Agreements); and, as to Leased Sites, this Sublease is also subject to all matters affecting title to each BellSouth Entity's leasehold interest, leasehold estate or other possessory interest therein (including without limitation, Existing Subleases and the interest of a third party as to any Leased Sites that are subject to Colocation Agreements).

(d) TowerCo hereby acknowledges that, as to the Subleased Property of each Leased Site, this Sublease is a sublease by each BellSouth Entity under the provisions of, and is subject and subordinate to all of the terms and conditions of, the applicable Ground Lease of such Leased Site. As to any Leased Site, no BellSouth Entity shall be deemed to have assumed any duty or obligation of the Ground Lessor under the applicable Ground Lease nor shall be liable or responsible in any manner whatsoever for any failure of such Ground Lessor to perform any such duty or obligation. Except as provided in SECTION 3(F) or 3(H), TowerCo shall abide by, comply in all respects with, and fully and completely perform all terms, covenants, conditions, and provisions of each Ground Lease (including, without limitation, terms, covenants, conditions, and provisions relating to maintenance, insurance and alterations) as if TowerCo were the "ground lessee" thereunder and, to the extent evidence of such performance must be provided to the Ground Lessor of the applicable Ground Lease, TowerCo shall provide such evidence to the applicable BellSouth Entity. TowerCo shall not engage in or permit any conduct that would: (i) constitute a breach of or default under any Ground Lease; or (ii) result in the Ground Lessor being entitled to terminate the applicable Ground Lease or to terminate any BellSouth Entity's right as ground lessee under such Ground Lease, or to exercise any other rights or remedies to which the Ground Lessor may be entitled for a default or breach under the applicable Ground Lease. During the Term of this Sublease, each BellSouth Entity agrees to exercise prior to the expiration thereof and in accordance with the provisions of the applicable Ground Lease, any and all renewal options existing as of the date of the Site Designation Supplement, and as may be further extended or renewed by such BellSouth Entity pursuant to the terms of this Sublease, for any Leased Site under the Ground Leases of such Leased Sites;

provided, however, that such renewals shall not extend the Expiration Date for the Site Designations Supplements for such Leased Sites.

(e) Except as provided in SECTION 3(F), TowerCo shall not be entitled to act as agent for, or otherwise on behalf of, any BellSouth Entity or to bind such BellSouth Entity in any way whatsoever.

(f) Subject to the provisions of SECTION 8 and after the applicable BellSouth Entity has exercised all renewal options pursuant to SECTION 3(D), TowerCo, at TowerCo's sole cost and expense, shall be responsible for and shall negotiate and obtain any extension or renewal of the Ground Leases of the Leased Sites on behalf of and for the benefit of such BellSouth Entity, and such BellSouth Entity shall use commercially reasonable efforts to assist TowerCo in obtaining such extension or renewal, provided that such extension or renewal does not impose any liability on such BellSouth Entity for which TowerCo is not responsible under the terms of this Sublease. TowerCo shall commence its negotiations with the applicable Ground Lessor sufficiently in advance of any expiration of each Ground Lease and in any event, not later than two (2) years prior to such expiration. Notwithstanding anything to the contrary contained herein, if at any time during the twelve-month period immediately prior to any expiration of a Ground Lease of a Leased Site, TowerCo has not successfully effected the extension or renewal of such Ground Lease, BSPCI shall have the right to take responsibility for conducting and completing negotiations for such extension or renewal on its own behalf and upon BSPCI's exercise of such right by written notice thereof, TowerCo shall cease participating in any negotiations with the applicable Ground Lessor as to such Site. Until such time as BSPCI so exercises its right to conduct and complete negotiations for such extension or renewal, TowerCo shall be exclusively responsible for conducting and completing such negotiations and BSPCI shall not participate, except to the extent reasonably requested by TowerCo, in any negotiations with the applicable Ground Lessor as to such Site. In the event BSPCI completes negotiations for such extension or renewal, TowerCo shall have the option, exercisable within thirty (30) days of receipt of notice of the terms of the extension or renewal, of (i) assuming all payments for the extension or renewal and retaining its sublease interest in such Site or (ii) assigning all of its interests in such Site to BSPCI as of the date the Ground Lease would have expired had BSPCI not extended or renewed such Ground Lease, and the Site Maintenance Charge and TowerCo's obligation to pay Rent, if any, shall terminate effective that date. If neither TowerCo on behalf of and for the benefit of BSPCI nor BSPCI is able to extend or renew any Ground Lease in accordance with this SECTION 3(F), then the Parties shall permit such Ground Lease to expire on the applicable expiration date and this Sublease shall have no further force and effect as to the Subleased Property of the Leased Site to which such Ground Lease applies. Each of TowerCo and CCIC agrees that neither it, nor any of its Affiliates, shall seek to obtain, obtain or hold, any interest in any Ground Lease or its underlying fee interest that is superior or prior to BellSouth Entity's interests in such Ground Lease. TowerCo shall have the right, up to the date on which BSPCI exercises its right to conduct and complete negotiations with the applicable Ground Lessor, to acquire the fee simple interest in the Site from the Ground Lessor and transfer such fee simple interest to BSPCI for $1.00, in which event there shall be no Rent for that Site as of the date fee simple title vests in BSPCI; provided that, if there is a continuing unwaived event of

default by the applicable BellSouth Entity with respect to the Ground Lease of any Site, TowerCo shall have no obligation to transfer to BSPCI the fee simple interest in such Site. Except as provided above or as TowerCo may otherwise agree, no BellSouth Entity shall take any action to amend any Ground Lease, other than to exercise renewals expressly provided therein. If any subdivision is required for the transfer of such fee simple interest, each BellSouth Entity shall cooperate with TowerCo to the extent reasonably requested, including without limitation by executing any applications required for such subdivision, all at TowerCo's sole cost and expense.

(g) Subject to SECTION 25 and SECTION 26, BSPCI's right to sell, convey, transfer, assign or otherwise dispose of BSPCI's interest in and to any Site (including BSPCI's interest in and to the Subleased Property of such Site) shall be unrestricted.

(h) Notwithstanding anything to the contrary contained herein, each BellSouth Entity represents to TowerCo that as of the date of the applicable Site Designation Supplement, the applicable Ground Lease for a Leased Site will be in full force and effect and no BellSouth Entity will be in default under any such Ground Lease in any material respect as a result of such BellSouth Entity's acts or omissions. Each BellSouth Entity further agrees that it will promptly pay or cause to be paid the Ground Rent under the applicable Ground Leases of the Leased Sites during the Term of this Sublease when such payments become due and payable. Each BellSouth Entity shall pay the Ground Rent in respect of the applicable Site, for so long as this Sublease is in effect as to such Site, notwithstanding that TowerCo may be in default of its obligations hereunder. Each BellSouth Entity shall otherwise perform any obligations under and comply with the terms of the applicable Ground Leases, but only if such obligations are expressly reserved to such BellSouth Entity for its performance under the terms of this Sublease. Upon receipt by any BellSouth Entity of any notice of default or notice of an act or omission which could with the passing of time and/or the giving of notice constitute an event of default under a Ground Lease or non-compliance with a term of a Ground Lease (the "DEFAULT NOTICE"), BSPCI shall, within five (5) days after receipt of the Default Notice, provide TowerCo with a copy of the Default Notice. If such default or non-compliance with a term of a Ground Lease is caused by TowerCo or any Space Subtenant, TowerCo shall, and shall cause the applicable Space Subtenant, cure or otherwise remedy such default or non-compliance. If any such default or non-compliance with a term of a Ground Lease (in respect of an obligation expressly reserved for performance by any BellSouth Entity) is caused by the applicable BellSouth Entity, then BSPCI shall, on behalf of such BellSouth Entity, within two (2) days after the expiration of the aforementioned 5-day period, provide TowerCo a letter stating that (i) the default or non-compliance, if a payment default, or if the default is in respect of an obligation expressly reserved for performance by such BellSouth Entity, has been cured or remedied, (ii) if the default is in respect of an obligation expressly reserved for performance by such BellSouth Entity, the default (other than a payment default) has not been cured but will be cured within the time period provided under the Ground Lease, together with a reasonably detailed explanation of the actions such BellSouth Entity intends to take to effect such cure, its basis for concluding that such actions will be accepted by the Ground Lessor as an adequate cure or (iii) the basis, if any, for such BellSouth Entity's good faith position that there is no default or non-compliance if the

default is in respect of an obligation expressly reserved under this Sublease for performance by such BellSouth Entity ("BELLSOUTH ENTITY'S NOTICE"). If BSPCI does not or cannot provide the BellSouth Entity's Notice or if, subsequent to delivery of the BellSouth Entity's Notice to TowerCo, such BellSouth Entity is unable to effect an appropriate cure, then TowerCo has the right, but not the obligation, to take such action as may reasonably be necessary to cure or otherwise remedy such default or non-compliance and, in such event, TowerCo will have the right to demand prompt reimbursement from such BellSouth Entity of any and all amounts expended by TowerCo or on TowerCo's behalf, together with interest at the rate of eighteen percent (18%) per annum from the date of TowerCo's payment until the date repaid by such BellSouth Entity. TowerCo's failure to take any such action shall not constitute or be deemed a waiver of any rights it may have to assert Claims against such BellSouth Entity for a breach of its obligations under this Sublease. Notwithstanding anything in this Sublease to the contrary, unless an obligation under a Ground Lease represents a payment default by BSPCI or is expressly reserved under this Sublease for performance by the applicable BellSouth Entity, any default referred to in the Default Notice shall constitute a default by TowerCo under this Sublease.

(i) Notwithstanding anything to the contrary contained herein, TowerCo shall have the right, at TowerCo's cost and expense, to make Alterations to any Site and to expand a Site, including the expansion of the Land, as TowerCo deems reasonably necessary for the conduct of its business pursuant to this Sublease, including but not limited to the extension of the Tower, the re-enforcement of the Tower, and the construction of additional Towers on such Site; provided, however, that such Alterations or expansions shall be subject to TowerCo's performance of its obligations pursuant to this Sublease, including but not limited to SECTIONS 13 and 15 and shall not disrupt or otherwise adversely affect any BellSouth Entity's Permitted Use of its Reserved Space. TowerCo covenants and agrees that any such Alterations or expansions shall be made in a workmanlike manner in compliance with standard industry practices and with all applicable Laws.

4. EXISTING SUBLEASES AND COLOCATION AGREEMENTS.

(a) Without limiting the generality of SECTION 3, TowerCo expressly acknowledges that, as to each Site, this Sublease is subject to all Existing Subleases affecting such Site, including, without limitation, Existing Subleases executed prior to the applicable Site Commencement Date pursuant to any Colocation Agreement. In respect of each Site, the applicable BellSouth Entity does hereby transfer, assign and convey over unto TowerCo, for the Term of this Sublease in respect of such Site, all of its rights, title and interest as "sublandlord" or "sublessor" in, to or under all, if any, Existing Subleases affecting such Sites and does hereby delegate all of its duties, obligations and responsibilities under the Existing Subleases to TowerCo. TowerCo does hereby assume and agree to pay and perform all of the duties, obligations, liabilities and responsibilities of each BellSouth Entity as "sublandlord" or "sublessor" under the Existing Subleases affecting each Site arising from and after the date of the Site Designation Supplement for such Site. By virtue of the foregoing assignment, and during the Term of this Sublease, as to each Site, all Existing Subleases affecting such Site shall constitute

Space Subleases for the purposes hereof, and commencing on the Site Commencement Date for such affected Site, TowerCo shall receive all rents payable thereunder. Each BellSouth Entity shall allow each Colocation Agreement in effect on the date hereof to expire and shall not renew or amend any such Colocation Agreement, and shall not enter into any new Colocation Agreement.

(b) Notwithstanding anything to the contrary contained herein, TowerCo shall sublease any Available Space of any Site to the other party to a Colocation Agreement under and in accordance with the terms and conditions of such Colocation Agreement and not this Sublease, including without limitation, terms respecting rent under such Colocation Agreement, except that TowerCo will have the right to sublet any Available Space to such other party to a Colocation Agreement under terms and conditions different from the terms and conditions of such Colocation Agreements, so long as such different terms do not affect any of BSPCI's rights under such Colocation Agreement. TowerCo shall receive all rents and other economic benefits from parties to Colocation Agreements that occupy any Available Space. BSPCI retains and reserves all rights under the Colocation Agreements to occupy any space on any cell site location (including towers and improvements thereof) of any other parties to the Colocation Agreements that is available for occupancy pursuant to such Colocation Agreements (the "AVAILABLE COLOCATION SPACE"). TowerCo shall have no right or obligation to amend or modify any Colocation Agreement, except as to the terms applicable to the occupancy of any Available Space by the party to such Colocation Agreement; provided, however, that such amendment or modification does not affect BSPCI's rights thereunder. From time to time, BSPCI shall give TowerCo written notice of the intent of third parties to Colocation Agreements to occupy any Available Space, and promptly following receipt of such notice, TowerCo shall cooperate with BSPCI and the applicable third party so as to facilitate such third party's occupancy of such Available Colocation Space.

(c) TowerCo shall, and does hereby agree to, indemnify, defend and hold each BellSouth Entity Indemnitee harmless from, against and in respect of any and all Claims, paid, suffered, incurred or sustained by such BellSouth Entity Indemnitee and in any manner arising out of, by reason of, or in connection with any failure of the duties, obligations, liabilities and responsibilities of any BellSouth Entity as "sublandlord" or "sublessor" under any of the Existing Subleases affecting each Site and arising from and after the date of the Site Designation Supplement for such Site, to be fully and completely performed pursuant to the Existing Subleases, except to the extent caused by such BellSouth Entity or a BellSouth Entity Indemnitee.

(d) The assignment by each BellSouth Entity to TowerCo of the Existing Subleases in respect of each Site shall automatically terminate and expire, such Existing Subleases shall automatically be assigned to such BellSouth Entity, and such BellSouth Entity shall accept such assignment, upon the expiration of the Term of, or earlier termination of, this Sublease in respect of such Site.

5. RESERVED SPACE. (a) TowerCo expressly acknowledges that, as to any Site, the Subleased Property of such Site does not include, and that each BellSouth Entity has reserved and excepted from this Sublease, the Reserved Space of such Site, regardless of whether or not such Reserved Space is now or hereafter occupied, and, TowerCo further expressly acknowledges that as between each BellSouth Entity and TowerCo, the Reserved Space of each Site shall, at all times during the Term of this Sublease, be and remain the property of such BellSouth Entity. As an appurtenance to, and a part of, the Reserved Space of each Site, each BellSouth Entity also reserves; (i) the right of ingress to and egress from the entire Site, and access to the entire Tower and all Improvements thereof (including any and all easements), at such times (on a 24-hour, seven (7) day per week basis unless otherwise limited by the Ground Lease or other restrictions of record that have priority over the Sublease), to such extent, and in such means and manners (on foot or by motor vehicle, including trucks and other heavy equipment), as such BellSouth Entity deems necessary or desirable in connection with its full use and enjoyment of the Reserved Space, including, without limitation, the construction, installation, use, operation, maintenance, repair and replacement of its Communications Facility thereon; and (ii) the right to use any available portion of the Subleased Property of a Site, including the Land and Improvements thereof, for purposes of temporary location and storage of any equipment (including generators and Communications Equipment) and any part thereof in connection with performing any repairs or replacements of such BellSouth Entity's Improvements; provided, however, that such storage shall not have a material adverse effect on Space Subtenants' Permitted Use.

(b) (i) Subject to the availability of Available Space on the applicable Tower (other than Towers on BTS Sites) at the time of the proposed expansion, BSPCI may at any time expand the number of antennas at the Reserved Space on Towers up to nine (9) panels consistent with other typical nine (9) panel arrays currently existing on other Towers on the date hereof, without any limitation on (x) the number of Sites in respect of which this right may be exercised and (y) the increase in the weight or sail area resulting from such expansion or upgrade.

(ii) Subject to the availability of Available Space on the applicable Tower (including Towers on BTS Sites) at the time of the proposed expansion of the number of antennas, BSPCI shall have the further right to expand the number of panels on the Towers beyond nine (9) panels if the weight and sail area of the Communications Equipment are not increased by more than 10% of the weight and sail area of a nine (9) panel antennas array that is typical of the other Towers on the date hereof.

(iii) If BSPCI expands the number of antenna panels on a Tower beyond nine (9) panels and the weight and sail area are exceeded by more than ten percent (10%), then BSPCI shall have the right nonetheless to expand the number of panels and shall pay TowerCo $100 per month per panel, not to exceed $1,600 per Tower. Such amounts increase each year after the date hereof by five percent (5%) per year, until the tenth anniversary of the applicable Site Designation Supplement and thereafter pursuant to SECTION 11(H).

(c) Notwithstanding anything to the contrary contained herein, the Parties acknowledge and agree that the Reserved Space of each Site will include, without limitation, all portions of such Site utilized or occupied by the applicable BellSouth Entity as of the date hereof for the use, enjoyment, operation or maintenance of such BellSouth Entity's Communications Facility on such Site for the Permitted Use.

(d) Not later than five (5) business days before BSPCI or its Affiliate adds or relocates any antennas to the Tower location of any Site, BSPCI shall give TowerCo notice of such addition or relocation. No approval of TowerCo shall be required for any addition or relocation. Upon the request of either Party, the Parties shall promptly execute such instruments as may be reasonably required to further evidence such addition or relocation, including without limitation an amendment to the applicable Site Designation Supplement, and shall cause such amendment to be recorded at the applicable BellSouth Entity's cost and expense, unless the Parties otherwise agree.

(e) With respect to any space which, pursuant to the definition of "RESERVED SPACE", is reserved on a BTS Site for installation of a microwave dish (the "RESERVED MICROWAVE SPACE"), if BSPCI or the Carolinas Partnership has not installed a microwave dish in such space and TowerCo receives a bona fide written application from a Space Subtenant to install equipment in such Reserved Microwave Space (there being no other acceptable Available Space for such Space Subtenant), BSPCI shall have ten (10) days from receipt of written notice from TowerCo to confirm that BSPCI or the Carolinas Partnership will commence use of the Reserved Microwave Space, otherwise such Reserved Microwave Space will be released for use by such Space Subtenant. In the event that such Reserved Microwave Space is released, BSPCI shall be entitled to replacement microwave space (the "REPLACEMENT MICROWAVE SPACE") located seventeen (17) feet below the Reserved Microwave Space, except to the extent no suitable Replacement Microwave Space exists by virtue of the operation of this SECTION 5(G). The Replacement Microwave Space shall be subject to the same notice, confirmation, release and replacement process described above; provided that upon release by BSPCI of any such space, BSPCI shall be entitled to replacement space (also, "REPLACEMENT MICROWAVE SPACE") located seventeen (17) feet below such released space.

6. PERMITTED USE.

(a) TowerCo shall use, and shall permit the use of, the Subleased Property of each Site only for the Permitted Use.

(b) TowerCo shall not use, or permit to be used, the Subleased Property of any Site, or any portion thereof, by TowerCo, any Person (other than a BellSouth Entity) or the public in such manner as might reasonably tend to impair any BellSouth Entity's title to or interest in such Site, or any portion thereof, or in such manner as might reasonably make possible a Claim or Claims of adverse usage or adverse possession by the public, as such, or any Person (other than a BellSouth Entity), or of implied dedication of such Subleased Property, or any portion thereof. Nothing contained in this Sublease and no action or inaction by any BellSouth Entity shall be deemed or construed to mean that any BellSouth Entity has granted to TowerCo any right,

power or permission to do any act or make any agreement that may create, or give rise to or be the foundation for any such right, title, interest, lien, charge or other encumbrance upon the estate of such BellSouth Entity in any Site.

(c) No BellSouth Entity shall use, or permit to be used, the Reserved Space of any Site, or any portion thereof, by any Person (other than TowerCo and Space Subtenants) or the public in such manner as might reasonably tend to impair TowerCo's title to or interest in such Site, or any portion thereof, or in such manner as might reasonably make possible a Claim or Claims of adverse usage or adverse possession by the public, as such, or any Person (other than TowerCo and Space Subtenants), or of implied dedication of such Reserved Space, or any portion thereof. Nothing contained in this Sublease and no action or inaction by TowerCo shall be deemed or construed to mean that TowerCo has granted to any BellSouth Entity any right, power or permission to do any act or make any agreement that may create, or give rise to or be the foundation for any such right, title, interest, lien, charge or other encumbrance upon the estate of TowerCo in any Site.

7. ACCESS.

The Subleased Property of a Site includes, as an appurtenance thereto, a non-exclusive right for access to the Subleased Property of each Site on a 24-hour, seven (7) day per week basis, on foot or motor vehicle, including trucks and other heavy equipment, for the installation and maintenance of the Tower and Improvements thereof and the Communications Facilities of Space Subtenants. The Parties acknowledge and agree that the right to access the Subleased Property of each Site, or any portion thereof, granted pursuant to this SECTION 7 shall be granted to TowerCo and its authorized contractors, subcontractors, engineers, agents, advisors, consultants, representatives, or other persons authorized by TowerCo and under TowerCo's direct supervision, and to Space Subtenants.

8. TERM.

(a) The term of this Sublease, as to each Site, shall commence on the Site Commencement Date set forth in the Site Designation Supplement with respect thereto and shall expire on the Site Expiration Date therefor, which shall be (i) in respect of an Owned Site (including any Site which becomes an Owned Site after the date hereof, if any), one hundred (100) years from the date of the Site Commencement Date, and (ii) in respect of a Site (other than an Owned Site), one day before the Ground Lease with respect to such Site expires, as the term of such Ground Lease may be renewed or extended pursuant to SECTION 3 (the "TERM"). After the applicable BellSouth Entity has exercised all rights to extend a Ground Lease as a matter of right pursuant to the terms of the existing Ground Lease, and if BSPCI or TowerCo has successfully negotiated a new or extended Ground Lease pursuant to SECTION 3(F), then the term of the Site Designation Supplement under such Ground Lease for purposes of SECTION 10(A) and all other purposes of this Sublease shall be deemed to recommence as of the commencement date of the new or extended Ground Lease.

(b) No surrender by TowerCo to any BellSouth Entity of the Subleased Property of any Site or any portion thereof, prior to the expiration of the Term as to such Site shall be valid or effective unless agreed to and accepted in writing by BSPCI, and no act by any

BellSouth Entity, other than such a written acceptance, shall constitute an acceptance by BSPCI, of any such surrender.

(c) As to any Site, upon expiration or earlier termination of this Sublease, TowerCo shall, at its cost and expense and upon instructions from BSPCI, (i) within a reasonable period of time, but in no event less than thirty (30) days, stop and cease, and cause the Space Subtenants on such Site to stop and cease, the operation of their respective Communications Facilities on such Site and shall remove, and cause all Space Subtenants to remove, all of TowerCo's and such Space Subtenant's Improvements from such Site, including without limitation, the Tower and the Improvements on such Site, and (ii) (A) restore each Site that is a Leased Site to the condition required by the Ground Lease, including, without limitation removal of the Tower and the Improvements thereof (if required by the applicable Ground Lease) or restore each Site that is an Owned Site to the condition it was in on the applicable Site Commencement Date, or (B) vacate such Site leaving it in "AS IS" condition at the time of such expiration or earlier termination of this Sublease as to such Site.

9. PUT RIGHT.

In addition to and not in limitation of the provisions of SECTION 10 or 31(D), BSPCI will have the Put Right, exercisable in its sole discretion, in respect of any Site, at any time during the Term of this Sublease; provided, however, that the number of Sites in respect of which BSPCI may exercise its Put Right over the Term shall not exceed an aggregate of the greater of: (i) two (2%) of the number of all Sites then and theretofore under this Sublease; or (ii) fifteen (15) Sites. Notwithstanding the foregoing, BSPCI shall have no Put Right in respect of any BTS Site within ten (10) years of the Site Commencement Date for that BTS Site. To exercise any such Put Right, BSPCI shall give TowerCo not less than six (6) months' prior written notice of such exercise (a "PUT NOTICE"). If BSPCI exercises the Put Right as to any Site, then BSPCI's obligation to pay any Site Maintenance Charge with respect to such Site shall terminate as of the Put Date and the Put Date as to such Site shall be the date specified in the applicable Put Notice. Not later than the Put Date of any Site, the applicable BellSouth Entity shall vacate the Reserved Space of such Site if such Reserved Space is occupied whereupon such BellSouth Entity's right to use the Reserved Space of such Site shall be terminated. The applicable BellSouth Entity shall assign to TowerCo all its interest in the Ground Lease as to such Site and any Improvements thereon (other than any such BellSouth Entity Improvements that such BellSouth Entity elects to retain and remove), subject to such BellSouth Entity's receipt of any consent required for such assignment, whereupon such BellSouth Entity shall be released from any and all further obligations under such Ground Lease and under this Sublease in respect of such Site, including, without limitation such BellSouth Entity's obligations to renew or extend the Ground Lease and pay the Ground Rent with respect to such Site and TowerCo hereby acknowledges and consents to such release. If the applicable BellSouth Entity does not receive any such required consent, such Reserved Space shall be deemed subleased to TowerCo pursuant to the terms of this Sublease, and shall be added to the Subleased Property of such Site effective without further act of the Parties; provided, however, that the Parties shall use reasonable efforts to cause the Site Designation Supplement for such Site to be amended by a written instrument in recordable form to reflect such sublease.

10. WITHDRAWAL .

(a) Notwithstanding anything to the contrary contained herein, and without limiting the provisions of SECTION 9, BSPCI will have the Withdrawal Right, exercisable in respect of any Site on the tenth anniversary of the Site Commencement Date of such Site and on each five-year anniversary of such Site Commencement Date thereafter. To exercise any such Withdrawal Right, BSPCI shall give TowerCo written notice of such exercise not less than ninety (90) days, in the case of the exercise of a Withdrawal Right in respect of less than twenty percent (20%) of all Sites now or hereafter under this Sublease and one hundred eighty (180) days, in the case of the exercise of a Withdrawal Right in respect of twenty percent (20%) or more of all Sites now or hereafter under this Sublease, prior to any such anniversary ("WITHDRAWAL NOTICE"). If BSPCI exercises the Withdrawal Right as to any Site, then BSPCI's obligation to pay any Site Maintenance Charge with respect to such Site shall terminate as of the Withdrawal Date and the Withdrawal Date as to such Site shall be the date specified in the applicable Withdrawal Notice. Not later than the Withdrawal Date of any Site, the applicable BellSouth Entity shall vacate the Reserved Space of such Site if such Reserved Space is occupied and shall assign to TowerCo all its interest in the Ground Lease and any Improvements thereon (other than such BellSouth Entity's Improvements that such BellSouth Entity elects to retain and remove), subject to such BellSouth Entity's receipt of any consent required for such assignment, whereupon such BellSouth Entity shall be released from any and all further obligations under such Ground Lease and under this Sublease in respect of such Site, including, without limitation such BellSouth Entity's obligations to renew or extend the Ground Lease and pay the Ground Rent with respect to such Site and TowerCo hereby acknowledges and consents to such release. If the applicable BellSouth Entity does not receive any such required consent, such Reserved Space shall be deemed subleased to TowerCo pursuant to the terms of this Sublease and shall be added to the Subleased Property of such Site, effective without further act of the Parties; provided, however, that the Parties shall use reasonable efforts to cause the Site Designation Supplement for such Site to be amended by a written instrument in recordable form to reflect such sublease.

(b) In addition to and not in limitation of any right of BSPCI under SECTION 10(A), each BellSouth Entity will have the right, exercisable at any time during the Term of this Sublease, to cease occupying the Reserved Space of any Site, and retain its right to such Reserved Space and may permit any BellSouth Entity's Affiliate to occupy such Site, so long as BSPCI (i) has not exercised its Put Right with regard to that Site pursuant to SECTION 9 and (ii) continues to pay the Site Maintenance Charge in respect of such Site.

(c) If BSPCI elects to assign, sublet, transfer or dispose of any interest in any Reserved Space to or in favor of any Person (other than an Affiliate of any BellSouth Entity), then, prior to such assignment, subletting, transfer or disposition, BSPCI shall give TowerCo written notice of such election ("DISPOSITION NOTIFICATION") and any such assignment, subletting or disposal shall be subject to TowerCo's rights under SECTION 10(D). If TowerCo does not exercise its right to acquire any interest in such Reserved Space prior to such assignment, subletting or disposition, then BSPCI may, at its option, assign, sublet or dispose of such interest

in such Reserved Space or retain its interest in such Reserved Space, free of any right of TowerCo to acquire any interest in the Reserved Space.

(d) Notwithstanding anything to the contrary contained herein, TowerCo will have the right and option, exercisable by written notice given to BSPCI at any time (whether before or after such assignment) following BSPCI's giving of a Disposition Notice as to any Reserved Space (regardless of whether such Reserved Space has been assigned), to purchase from the applicable BellSouth Entity such Reserved Space and all of such BellSouth Entity's retained rights in that Site for consideration equal to: (i) $5,000 (such amount to increase each calendar year after 1999 by the amount of the CPI Increase), payable in immediately available funds on the effective date of such sublease, plus (ii) the grant to such BellSouth Entity of the right to receive thirty-five percent (35%) of all Gross Revenues payable to TowerCo each year during the Term from any Person's use or occupancy of such Reserved Space. Upon exercise of such purchase right by TowerCo, the applicable BellSouth Entity shall assign to TowerCo all its interest in the Ground Lease and any Improvements thereon (other than any such BellSouth Entity's Improvements that it elects to retain and remove), subject to such BellSouth Entity's receipt of any consent required for such assignment, whereupon such BellSouth Entity shall be released from any and all further obligations under such Ground Lease and under this Sublease in respect of such Site, including, without limitation its obligations to renew or extend the Ground Lease and pay the Ground Rent with respect to such Site and TowerCo hereby acknowledges and consents to such release. If such BellSouth Entity does not receive any such required consent, such Reserved Space shall be deemed subleased to TowerCo pursuant to the terms of this Sublease and shall be added to the Subleased Property of such Site, effective without further act of the Parties; provided, however, that the Parties shall use reasonable efforts to cause the Site Designation Supplement for such Site to be amended by a written instrument in recordable form to reflect such sublease. Upon any such assignment or sublease, the applicable BellSouth Entity's obligations under this Sublease in respect of such Reserved Space shall cease, including without limitation, BSPCI's obligation to provide any alarm monitoring data feed. Under no circumstances will any BellSouth Entity be required to account for or pay to TowerCo any amount received from any sublessee or other transferee of any Reserved Space subleased or transferred upon the exercise of a Withdrawal Notice, received prior to the date on which TowerCo exercised its rights under this SECTION 10(D) in respect of such Reserved Space. TowerCo will have no obligation to lease any such Reserved Space to any third party.

11. RENT.

(a) TowerCo shall pay BSPCI monthly Rent in respect of the Subleased Property of each Site, for each Site Term Year as provided in this SECTION 11. Each month during the Term of this Sublease, the applicable Site Payment (as defined below) shall be determined and paid pursuant to this SECTION 11. If, as to any month, the Aggregate Rent exceeds the Aggregate Site Maintenance Charge (each as defined in SECTION 11(C)), TowerCo shall pay the amount of such excess to BSPCI, at the address specified in this Sublease or at such other place as BSPCI may specify in writing. If, as to any month, the Aggregate Site Maintenance Charge exceeds the Aggregate Rent, BSPCI shall pay the amount of such excess to

TowerCo, at the address specified in this Sublease or at such other place as TowerCo may specify in writing.

(b) Any amount payable by TowerCo or BSPCI, as the case may be, pursuant to SECTION 11(A) is referred to herein as a "SITE PAYMENT." Each Site Payment shall be due and payable, in advance, beginning on the date hereof and continuing on the first day of each succeeding month thereafter throughout the Term.

(c) For purposes of calculating the Site Payment, the following terms shall have the following definitions:

"AGGREGATE RENT" means the aggregate amount of all Rents for the Sites then subject to this Sublease, which shall be payable by TowerCo to BSPCI pursuant to this Sublease;

"AGGREGATE SITE MAINTENANCE CHARGE" means, as to any month in any Sublease Year, (i) the number of Sites subject to this Sublease multiplied by the applicable Site Maintenance Charge, minus (ii) the aggregate amount of the Reimbursable Maintenance Expenses (as defined in SECTION 30(A)), if any, minus (iii) the aggregate amount of unreimbursed Taxes and Assessments;

"GROUND RENTS" means, as to any Site (other than an Owned Site), all rents, fees and other charges payable by BSPCI or the Carolinas Partnership, as applicable, to the Ground Lessor under the Ground Lease for such Site calculated in accordance with SECTION 11(D);

"RENT" means, (i) as to any Site other than Owned Sites, the amount of all Ground Rents, and (ii) as to any Owned Site, $1.00;

"SITE MAINTENANCE CHARGE" means as to any Site, in any Sublease Year, an amount equal to $1,200 per month subject to an increase of the lesser of (x) the applicable CPI Increase plus four percent (4%) or (y) five percent (5%) per year (but never less than zero percent (0%)) on each anniversary of the applicable Site Commencement Date, for each month in such Sublease Year, representing a payment by BSPCI for services performed by TowerCo for the benefit of BSPCI and the Carolinas Partnership pursuant to this Sublease.

(d) If the Site Commencement Date for any Site is a day other than the first day of a calendar month, the applicable Ground Rent and Site Maintenance Charge for the period from such Site Commencement Date through the end of the calendar month during which such Site Commencement Date occurs shall be prorated on a daily basis, and shall be included in the calculation of the Ground Rent or Site Maintenance Charge, as the case may be, for the first full calendar month of the Term, on the first day of the first calendar month following such Site Commencement Date.

(e) On each anniversary of the date hereof, and from time to time upon BSPCI's request, within ten (10) days after BSPCI's giving of such request, TowerCo shall

deliver a certificate duly executed by an officer of TowerCo certifying, as of the date of such certificate, the calculation of the aggregate amount of the Site Payment for such Sublease Year. BSPCI shall have the right (i) to request any substantiation of any such certification and TowerCo shall provide BSPCI with such substantiation within ten (10) days after such request, and (ii) to audit the books and records of TowerCo relating to each Site from time to time during normal business hours to determine the accuracy of any such certificate and calculation of the Site Payment. BSPCI shall notify TowerCo in writing of any dispute it may have with TowerCo relating to any such calculation, not later than thirty (30) days after its receipt of such certificate and the Parties shall resolve such dispute within ten (10) days thereafter. Notwithstanding anything to the contrary contained herein, at any time and from time to time at BSPCI's request, but not less than each calendar month, TowerCo shall provide BSPCI sufficient back up information necessary to determine whether the calculation of the Site Payment as to each Site is accurate. If TowerCo fails to supply BSPCI with such information as to any Site, the Site Maintenance Charge for such Site shall be deemed not to exceed the amount of the Ground Rent for such Site; provided, however, that upon submission of such information by TowerCo, BSPCI shall be liable to TowerCo for the outstanding amount of the Site Maintenance Charge applicable to such Site and shall reimburse TowerCo for any amount such Entity may owe to TowerCo.

(f) TowerCo's covenant to pay Rent in respect of the Subleased Property of each Site hereunder is independent of any other covenant, condition, provision or agreement of this Sublease and all payments of Rent shall be payable without previous demand therefor and without any right of abatement, setoff or deduction, counterclaim, or suspension, and in case of nonpayment of any Rent with respect to the Subleased Property of any Site by TowerCo when the same is due, BSPCI shall have, in addition to all its other rights and remedies, all of the rights and remedies available to BSPCI under the provisions of this Sublease or at law or in equity in the case of nonpayment of Rent. The performance and observance by TowerCo of all the terms, covenants, conditions and agreements to be performed or observed by TowerCo hereunder shall be performed and observed by TowerCo at TowerCo's sole cost and expense. TowerCo shall pay a late charge of five percent (5%) of any monthly Rent payable by TowerCo under the provisions of this Sublease, which shall be paid within ten (10) days after the date the same is due; provided, however, that the late charge shall not be assessed in respect of the first late payment occurring in any twelve (12) month period. In addition to and not in limitation of the foregoing, Rent not paid on or before the due date in respect of the Subleased Property of any Site shall be subject to a late charge equal to the amount of any interest or fees that would be payable by the applicable BellSouth Entity if such BellSouth Entity were to make a late payment under the applicable Ground Lease.

(g) BSPCI shall pay a late charge of five percent (5%) of any Site Payment payable by BSPCI under the provisions of this Sublease, which shall be paid within ten (10) days after the date the same is due; provided, however, that the late charge shall not be assessed in respect of the first late payment occurring in any twelve (12) month period. Notwithstanding the foregoing, if BSPCI fails to pay any portion of a Site Payment because BSPCI, acting in good faith, reduced the amount of Site Maintenance Charges payable to TowerCo due to a mistaken belief that it was entitled to Reimbursable Maintenance Expenses under SECTION 30(A), no late charge shall be payable in respect thereof.

(h) Notwithstanding anything to the contrary contained herein, if after the tenth (10th) anniversary of each Site Designation Supplement, the then current Site Maintenance Charge payable by BSPCI to TowerCo with respect to any Site is below the market rate agreed upon by the Parties at the time of determination, then such Site Maintenance Charge shall automatically be increased on such anniversary and on each anniversary thereafter, based on the CPI Increase effective as of date of such anniversary. If, however, the then Site Maintenance Payment with respect to such Site is above the market rate, then such Site Maintenance Charge shall be automatically reset at ninety percent (90%) of such agreed upon market rate effective as of date of such tenth (10th) anniversary of the Site Designation Supplement and shall increase on each following anniversary at the then current annual market rate of increase for comparable properties. Notwithstanding anything to the contrary contained herein, the Parties shall agree as to the market rate not later than sixty (60) days prior to such tenth anniversary of the applicable Site Designation Supplement. If the Parties are unable to agree upon the market rate, then BSPCI shall have an option, exercisable by written notice to TowerCo, to: (i) refer such dispute to arbitration pursuant to SECTION 38(E) hereof, or (ii) exercise its Withdrawal Right in accordance with SECTION 10(A). Notwithstanding anything to the contrary contained herein, the provisions of this SECTION 11(H) with respect to all BTS Sites shall apply on the tenth (10th) anniversary of June 1, 2001, rather than the tenth (10th) anniversary of the Site Designation Supplement.

(i) (i) Subject to SECTION 11(I)(II) below, if the Annual Gross Revenues for a Sublease Year in respect of any individual Site exceeds $60,000, then the Site Maintenance Charge in respect of such Site shall be reduced by an amount (the "SITE REDUCTION AMOUNT") equal to twenty percent (20%) of the amount by which the Annual Gross Revenues exceed $60,000, such $60,000 amount being increased from and after the fifth Sublease Year at a rate of 3% per annum. The Site Maintenance Charge shall be reduced each month pursuant to this SECTION 11(I)(I) in the next subsequent Sublease Year by an amount equal to one-twelfth of the Site Reduction Amount for the immediately preceding Sublease Year; provided, however, that under no circumstances will the Site Maintenance Charge for any Site be reduced to an amount below zero.

(ii) If the Annual Gross Revenues averaged over the average of the number of Sites for any Sublease Year exceeds $56,000, then the Aggregate Site Maintenance Charge shall be reduced by an amount (the "OVERALL REDUCTION AMOUNT") equal to (x) the average of the number of Sites during such Sublease Year, multiplied by (y) twenty-five percent (25%) of the amount by which the average Annual Gross Revenues exceed $56,000, such $56,000 amount being increased from and after the fifth Sublease Year at a rate of 3% per annum; provided, however, that (A) if during any Sublease Year, the aggregate Site Reduction Amount exceeds the Overall Reduction Amount, the provisions of SECTION 11(I)(I) shall apply or (B) if during any Sublease Year, the Overall Reduction Amount exceeds the aggregate Site Reduction Amount, as to any individual Site where the Site Reduction Amount exceeds the average Overall Reduction Amount, the provisions of SECTION 11(I)(I) shall apply to such Site, the applicable BellSouth Entity shall receive the benefit of such Site Reduction Amount, the amount of any such benefit shall be subtracted from the Overall Reduction Amount and the balance, if any, remaining, shall be applied pursuant to this SECTION 11(I)(II) to the other Sites by

dividing the balance by the number of such other Sites. Any average number of Sites determined under this SECTION 11(I)(II) shall be calculated by adding the number of Sites as of the last day of each calendar month in such Sublease Year and dividing such sum by twelve (12). The Aggregate Site Maintenance Charge shall be reduced each month pursuant to this SECTION 11(I)(II) in the next subsequent Sublease Year by an amount equal to one-twelfth of the Overall Reduction Amount for the immediately preceding Sublease Year; provided, however, that under no circumstances will the Site Maintenance Charge for any Site be reduced to an amount below zero.

For purposes of this SECTION 11, the following terms shall have the following definitions:

"ANNUAL GROSS REVENUES" means, as to any Site, the Gross Revenues in respect of such Site in a Sublease Year.

"GROSS REVENUES," as to each Site in any Sublease Year, shall be equal to the sum of: (i) an aggregate amount of Space Subtenant Rents payable by all Space Subtenants on such Site in respect of such Sublease Year; plus (ii) the Site Maintenance Charge payable by BSPCI with respect to the Reserved Space of such Site in respect of any Sublease Year.

"SPACE SUBTENANT RENT," as to each Site, shall be the amount of the rent and other amounts payable each month for the use or occupancy by a Space Subtenant of any Available Space on any Site pursuant to a lease, sublease, license or other possessory interest or right obtained from TowerCo, including without limitation any ongoing monthly payments for the use or occupancy of such Available Space, however characterized. For the purpose of calculating Gross Revenues, any "bolt-on fees" and other up-front payments by such third party ("UP-FRONT PAYMENTS") shall be deemed to have occurred on a straight-line basis over 120 months, commencing on the first day of the next month following the month in which the Up-front Payment was made. Separately charged and stated payments for installation or construction services rendered by TowerCo to such Space Subtenant for such Site, valued on the basis of the fair market value of such services, shall be excluded from the calculation of Gross Revenues.

12. CONDITION OF THE SITES AND OBLIGATIONS OF TOWERCO.

(a) TowerCo acknowledges that, as between TowerCo and the applicable BellSouth Entity, in respect of each Site, TowerCo has the obligation, right and responsibility to repair and maintain such Site, including without limitation, an obligation to monitor each Tower to maintain the structural integrity of the Tower and the ability of the Tower to hold and support all Communications Equipment then mounted on the Tower, in accordance with standard industry practices. Subject to the other provisions contained in this Sublease, TowerCo, at its sole cost and expense, except if such cost or expense arises out of a negligent or wrongful act or omission of the applicable BellSouth Entity, shall monitor, maintain and repair each Site such that each BellSouth Entity and Space Subtenants may utilize such Site to the extent permitted

herein, including, without limitation, each Tower lighting system (to the extent required by applicable Law) and markings and the structural integrity of each Tower. Installation, maintenance and repair of each Site must comply with all Laws applied in a manner consistent with standard industry practices. TowerCo's duties include, without limitation, subject to the other provisions contained in this Sublease, maintenance of appropriate records and notification to the FAA of any failure on TowerCo's part and repairs and correction of same. TowerCo assumes all responsibilities, as to each Site, for any fines, levies, and/or other penalties imposed as a result of non-compliance with said requirements of said authorities. TowerCo shall maintain and repair each Site, and cause Space Subtenants to maintain and repair all Communications Equipment on each Site, in accordance with the requirements of this Sublease including without limitation as set forth in EXHIBIT C; provided, however, that nothing in this Sublease shall require TowerCo to maintain BellSouth Entity's Communications Equipment.

(b) For each Site, TowerCo, at its sole cost and expense, shall obtain all of the certificates, permits, and other approvals which may be required from any federal, state, or local authority and/or any easements or consents which are required from any third parties with respect to its operation of such Site, including the lighting system serving such Site. Each BellSouth Entity shall cooperate with TowerCo in connection therewith, as contemplated by SECTION 18. Nothing in this Sublease shall require TowerCo to obtain any certificate, permit or other approval relating specifically and only to BellSouth Entity's Communications Equipment. If, as to any Site, or any portion thereof, any certificate, permit, license, easement, or approval relating to the operation of such Site is canceled, expires, lapses, or is otherwise withdrawn or terminated or, if due to technological changes or if TowerCo has breached its obligation under this SECTION 12(B), then BSPCI shall have the right, in addition to its other remedies pursuant to this Sublease, at law, or in equity, to take appropriate action to remedy any such noncompliance and invoice TowerCo, and/or to terminate such this Sublease as to such Site subject to SECTIONS 30 and 31.

(c) For each Site, TowerCo agrees to monitor the lighting system serving such Site and will notify the appropriate FAA service office of any lighting failure within thirty (30) minutes of discovering such failure. In addition, TowerCo agrees, as soon as practicable, to begin a diligent effort to repair the failed lighting on an Emergency basis, and to notify BSPCI upon successful completion of the repair. Notwithstanding anything to the contrary contained in SECTION 31, TowerCo's failure to successfully repair the lighting system within the Lighting Repair Period (as hereinafter defined) constitutes default by TowerCo under this Sublease. "LIGHTING REPAIR PERIOD" means as to any lighting system failure, a period beginning on the date of such failure and ending two (2) Business Days prior to (i) the fifteenth (15th) day following the date of such failure, or (ii) the expiration of any extension period approved by the FAA, provided that in no event shall the Lighting Repair Period extend beyond two (2) Business Days prior to the last date under applicable FAA regulations (including any FAA extension) by which a lighting repair must be made, whether longer or shorter than fifteen (15) calendar days after the date of such failure. Promptly after receiving any extension from the FAA of any Lighting Repair Period, Crown shall give an appropriate BSPCI representative telephonic notice thereof, followed promptly thereafter with a copy to BSPCI of such extension or other evidence of the extension. Notwithstanding anything to the contrary contained herein, if TowerCo fails to

repair any failed lighting pursuant to this SECTION 12(C), then TowerCo agrees to indemnify, defend and hold each BellSouth Entity Indemnitee harmless from and against any Claims arising out of or by reason of TowerCo's failure to comply with the provisions of this SECTION 12(C). In addition to and not in limitation of SECTIONS 31(D) and (E), if TowerCo defaults under this SECTION 12(C), BSPCI, in addition to its other remedies pursuant to this Sublease, at law, or in equity, may either elect to take appropriate action to repair or replace lights and invoice TowerCo, or terminate this Sublease as to such Site [in the event] that such default is not cured within the aforementioned. Without in any way affecting TowerCo's obligations relating to lighting: (i) in order to accommodate TowerCo's needs during the transition period, BSPCI agrees to monitor the lighting system serving the Towers or the Improvements of the Sites from the respective dates of the Site Designation Supplements until the expiration of four (4) calendar months after the applicable Closing Date (as defined in the Agreement to Sublease); (ii) BSPCI shall have the right, at its expense, to install and maintain equipment for the purpose of monitoring (x) the lighting system serving the Tower or the Improvements of each Site, and/or (y) any device of TowerCo's used to monitor the lighting system serving each Tower; and (iii) TowerCo shall have the right, at its expense, to install and maintain equipment for the purpose of monitoring any device of BSPCI used to monitor the lighting system servicing any Tower. At TowerCo's election, BSPCI shall (i) provide TowerCo a data feed for a fee and on terms to be agreed (x) from all appropriate security monitoring devices now at the Tower (it being understood that these devices will be leased or subleased to TowerCo with each Tower, and that TowerCo will be responsible for the repair and maintenance of the devices and their wiring up to the point of hand-off to BSPCI's T1 at the Site) and (y) from any additional devices which TowerCo wishes to install, at TowerCo's sole cost and expense; (ii) permit TowerCo access to the contact point box at each Tower where TowerCo may install, at TowerCo's sole cost and expense, its own direct links to such devices; or (iii) permit TowerCo, where available, access to the contact point for each Tower through BSPCI's regional switching (it being understood that TowerCo shall be responsible for providing its own dedicated telephone lines to the Site, that these monitoring devices will generally be subleased to TowerCo with each Tower, and that TowerCo will be responsible for the repair and maintenance of the devices and their wiring up to the point of hand-off to TowerCo's dedicated lines).

13. WORK ON THE SITE. (a) Title to all Alterations shall vest in the applicable BellSouth Entity immediately upon construction or installation on, or affixation or annexation to, the Site.

(b) Whenever TowerCo is permitted or required to make Alterations to any Site; construct, replace, maintain or repair the Tower and Improvements of any Site; install, maintain or repair, or cause Space Subtenants to install, maintain or repair, any Communications Equipment; or reconstruct or restore, Subleased Property (hereinafter called the "TOWERCO WORK"), the following provisions shall apply:

(i) No TowerCo Work shall be commenced until TowerCo has obtained all certificates, licenses, permits, authorizations, consents and approvals necessary for the TowerCo Work, from all governmental authorities having jurisdiction with respect to any Site or the TowerCo Work, and BSPCI, at

TowerCo's sole cost and expense, shall reasonably cooperate with TowerCo in obtaining any such certificate, license, permit, authorization, consent or approval.

(ii) TowerCo shall commence and perform the TowerCo Work in accordance with standard operating procedures agreed upon by the parties substantially in the form of EXHIBIT D attached hereto ("STANDARD PROCEDURES").

(iii) TowerCo shall cause the TowerCo Work to be done and completed with industry standard materials and in a good, substantial and workmanlike manner, free from faults and defects, and in compliance with all Laws, and shall utilize only industry standard materials and supplies. TowerCo shall be solely responsible for construction means, methods, techniques, sequences and procedures, and for coordinating all activities related to the TowerCo Work, and BSPCI shall have no duty or obligation to inspect the TowerCo Work, but shall have the right to do so, at reasonable times, upon reasonable prior notice and in a reasonable manner.

(iv) TowerCo shall promptly commence the TowerCo Work and, once commenced, diligently and continually pursue the TowerCo Work and complete the TowerCo Work within a reasonable time. TowerCo shall supervise and direct the TowerCo Work utilizing commercially reasonable efforts and reasonable care, and shall assign such qualified personnel to the TowerCo Work as may be necessary to cause the TowerCo Work to be completed in an expeditious fashion.

(v) All TowerCo Work shall be performed at TowerCo's sole cost and expense. TowerCo shall provide and pay for all labor, materials, goods, supplies, equipment, appliances, tools, construction equipment and machinery and other facilities and services necessary for the proper execution and completion of the TowerCo Work. TowerCo shall promptly pay when due all costs and expenses incurred in connection with the TowerCo Work. TowerCo shall pay, or cause to be paid, all fees and taxes required by law in connection with the TowerCo Work.

(vi) TowerCo shall be responsible for the acts and omissions of all of its employees, contractors, subcontractors, engineers, agents, representatives, advisors and all other persons performing any of the TowerCo Work. TowerCo shall be responsible for initiating, maintaining and supervising all necessary safety precautions and programs in connection with the TowerCo Work, and shall take all reasonable protection to prevent damage, injury or loss to, the TowerCo Work, all persons performing TowerCo Work on the Site, all other persons who may be involved in or affected by the TowerCo Work, all materials and equipment to be incorporated in the TowerCo Work, Tower and Improvements of such Site.

(vii) TowerCo shall procure and maintain in full force and effect, and shall cause its contractors and subcontractors to procure and maintain in full force and effect, with respect to the TowerCo Work: (x) full replacement cost "all-risk", "builder's risk" insurance, insuring the TowerCo Work; and (y) the other types of insurance required to be maintained pursuant to SECTION 24 of this Sublease. Such additional insurance policies shall meet the requirements set forth elsewhere in this Sublease with respect to the insurance policies otherwise required to be obtained and maintained by TowerCo under this Sublease.

(c) Whenever BSPCI is permitted or required to construct, maintain and repair the Reserved Space of any Site or reconstruct or restore, its Communications Equipment (hereinafter called the "BSPCI WORK"), the following provisions shall apply:

(i) No BSPCI Work shall be commenced until BSPCI has obtained all certificates, licenses, permits, authorizations, consents and approvals necessary for the BSPCI Work, from all governmental authorities having jurisdiction with respect to any Site or the BSPCI Work, and TowerCo, BSPCI's sole cost and expense, shall reasonably cooperate with BSPCI in obtaining any such certificate, license, permit, authorization, consent or approval.

(ii) BSPCI shall commence and perform the BSPCI Work in accordance with the Standard Procedures.

(iii) BSPCI shall cause the BSPCI Work to be done and completed with industry standard materials and in a good, substantial and workmanlike manner, free from faults and defects, and in compliance with all Laws, and shall utilize only industry standard materials and supplies. BSPCI shall be solely responsible for construction means, methods, techniques, sequences and procedures, and for coordinating all activities related to the BSPCI Work, and TowerCo shall have no duty or obligation to inspect the BSPCI Work, but shall have the right to do so, at reasonable times, upon reasonable prior notice and in a reasonable manner.

(iv) BSPCI shall promptly commence the BSPCI Work and, once commenced, diligently and continually pursue the BSPCI Work and complete the BSPCI Work within a reasonable time. BSPCI shall supervise and direct the BSPCI Work utilizing commercially reasonable efforts and reasonable care, and shall assign such qualified personnel to the BSPCI Work as may be necessary to cause the BSPCI Work to be completed in an expeditious fashion.

(v) All BSPCI Work shall be performed at BSPCI's sole cost and expense. BSPCI shall provide and pay for all labor, materials, goods, supplies, equipment, appliances, tools, construction equipment and machinery and other facilities and services necessary for the proper execution and completion of the BSPCI Work. BSPCI shall promptly pay when due all costs and expenses

incurred in connection with the BSPCI Work. BSPCI shall pay, or cause to be paid, all fees and taxes required by law in connection with the BSPCI Work.

(vi) BSPCI shall be responsible for the acts and omissions of all of its employees, contractors, subcontractors, engineers, agents, representatives, advisors and all other persons performing any of the BSPCI Work. BSPCI shall be responsible for initiating, maintaining and supervising all necessary safety precautions and programs in connection with the BSPCI Work, and shall take all reasonable protection to prevent damage, injury or loss to, the BSPCI Work, all persons performing the BSPCI Work on the Site, all other persons who may be involved in or affected by the BSPCI Work, all materials and equipment to be incorporated in the BSPCI Work, Tower and Improvements of such Site.

(vii) BSPCI shall procure and maintain in full force and effect, and shall cause its contractors and subcontractors to procure and maintain in full force and effect, with respect to the BSPCI Work: (x) full replacement cost "all-risk", "builder's risk" insurance, insuring the BSPCI Work; and (y) the other types of insurance required to be maintained pursuant to SECTION 24 of this Sublease. Such additional insurance policies shall meet the requirements set forth elsewhere in this Sublease with respect to the insurance policies otherwise required to be obtained and maintained by BSPCI under this Sublease.

14. DAMAGE TO THE SITE, TOWER OR THE IMPROVEMENTS .

(a) As to each Site, if such Site (including the Tower and Improvements thereon) are damaged for any reason so as to render such Subleased Property substantially unusable for the Permitted Use, TowerCo, at its sole cost and expense, shall promptly and diligently proceed with the adjustment of TowerCo's insurance Claims in respect thereof within a period of six (6) months after the date of the damage and, thereafter, if and to the extent required by this SECTION 14, promptly commence, and diligently prosecute to completion, the Restoration, repair, replacement and rebuilding of the same. The Restoration shall be carried on and completed in accordance with the provisions and conditions of this SECTION 14.

(b) All Proceeds shall be held by TowerCo for the mutual benefit of TowerCo and BSPCI on account of such damage, shall be applied to the payment of the costs of the Restoration and shall be paid out from time to time as the Restoration progresses. Any portion of the Proceeds applicable to a particular Site remaining after final payment has been made for work performed on such Site shall be retained by and be the property of TowerCo. If the cost of Restoration exceeds the Proceeds, TowerCo shall pay the excess cost.

(c) No damage to any Site (including the Tower and Improvements thereon), or any portion thereof, by fire, casualty or otherwise shall permit TowerCo to terminate this Sublease as to the affected Site or shall relieve TowerCo from its liability to pay to BSPCI the Rent payable under this Sublease with respect to the Subleased Property of such Site or from any of its other obligations under this Sublease, and TowerCo waives any rights now or hereafter

conferred upon TowerCo by present or future law or otherwise to quit or surrender this Sublease, the applicable Site Designation Supplement or the Subleased Property, or any portion thereof, to any BellSouth Entity or to any suspension, diminution, abatement or reduction of the applicable Rent on account of any such damage. Without limiting TowerCo's obligations hereunder in respect of a Site subject to a casualty, TowerCo shall make available to BSPCI a portion of the Subleased Property of such Site for the purpose of BSPCI locating a temporary communications facility, such as a "cell on wheels", and shall give BSPCI priority over Space Subtenants at such Site as to the use of such portion; provided, however, that: (i) the placement of such temporary communications facility does not interfere in any material respect with TowerCo's Restoration and repair of such Improvements; (ii) BSPCI obtains any permits and approvals, at its cost, required for the location of such temporary communications facility on such Site; and (iii) there is available space on the Site for placing such temporary communications facility.

(d) The foregoing provisions of this SECTION 14 apply only to damage of each Site by fire, casualty or other cause occurring after the applicable Site Commencement Date.

(e) If any BellSouth Entity damages any Site as a result of such BellSouth Entity's negligent or wrongful act or omission, or failure to perform its obligations under this Sublease, such BellSouth Entity will, at its sole expense, promptly repair and restore the Subleased Property of such Site to its respective conditions prior to such damage. If any BellSouth Entity fails to perform any such obligation under this SECTION 14(E), TowerCo shall have the right to perform such obligation on behalf of such BellSouth Entity, pursuant to and in accordance with SECTION 30(B).

(f) If TowerCo fails to complete the Restoration of the Subleased Property of any Site required under this Sublease within two (2) months after the date of the damage, BSPCI may terminate this Sublease as to the applicable Site upon giving TowerCo written notice of its election to terminate within fifteen (15) days following the expiration of such time period; provided, however, that if TowerCo's failure to complete such Restoration within such two (2)-month period is caused by: (i) failure to obtain a new permit; or (ii) TowerCo's inability to have access to the affected Site, such 2-month period shall be extended accordingly in order to allow TowerCo to complete the Restoration.

15. SPACE SUBTENANTS; INTERFERENCE.

(a) TowerCo acknowledges and agrees that TowerCo will not permit the addition of any Space Subtenants (other than BSPCI in respect of any Available Space) at the Subleased Property of any Site to adversely affect any Reserved Space and its operation, use or enjoyment of such Reserved Space on any Site, taking into account customary and commercially reasonable practices for multi-tenant wireless communication sites and towers thereon.

(b) TowerCo shall not and shall not permit any Space Subtenants (other than BSPCI in respect of any Available Space) on the Subleased Property of any Site to (i) install or change, alter or improve the frequency, power, or type of the Communications Equipment that interferes with the operation of the Reserved Space of such Site or is not authorized by Laws or

is not made or installed in accordance with good engineering practices; or (ii) implement a configuration which interferes with the operation of the applicable BellSouth Entity's Communications Equipment on such Site or the Reserved Space thereof.

(c) In the event of any interference occurring as a result of actions of TowerCo or Space Subtenants described in SECTIONS 15(B) above as to the Subleased Property of any Site, TowerCo shall be responsible for coordinating and resolving any such interference problems caused by TowerCo or Space Subtenants (other than BSPCI in respect of any Available Space), including, without limitation, using its best efforts to correct and eliminate the interference within forty-eight (48) hours of receipt of notification from BSPCI and perform interference study in accordance with the procedures set forth in SCHEDULE 15. If the interference cannot be corrected or eliminated within such 48-hour period, TowerCo shall cause, at TowerCo's option, any of TowerCo's or Space Subtenants' (other than BSPCI in respect of any Available Space) Communications Equipment or Communications Facility that interferes with the operation of BSPCI's Communications Facility or the Reserved Space, authorized frequency spectrum or signal strength, to be immediately powered down or turned off, with the right to turn such interfering equipment or facility back up or on only during off-peak hours specified by BSPCI in order to determine whether such interference continues or has been eliminated; provided, however, that if any interference continues at the time the interfering equipment is powered down, the Communications Equipment that interferes with the operation of the applicable BellSouth Entity's Communication Facility or Reserved Space shall be turned off. If TowerCo or any Space Subtenant (other than BSPCI in respect of any Available Space) cannot correct or eliminate, to the satisfaction of BSPCI, such interference within twenty (20) days of receipt of written notice from BSPCI, TowerCo shall or shall cause such Space Subtenant (other than BSPCI in respect of the Available Space) to cease the operations of the objectionable Communications Equipment and to stop providing services from the applicable Communication Facility or the Subleased Property of the applicable Site in its entirety until the interference problems are resolved.

(d) No BellSouth Entity shall: (i) install or change, alter or improve the frequency, power, or type of the Communications Equipment in a manner that interferes with the operation of TowerCo's or any Space Subtenant's Communications Equipment on a Site or is not authorized by Law or is not made or installed in accordance with good engineering practices; or (ii) implement a configuration which interferes with the operation of TowerCo's or any Space Subtenant's Communications Equipment on such Site.

(e) In the event of any interference occurring as a result of actions of any BellSouth Entity described in SECTION 15(D) above as to any Site, BSPCI shall be responsible for coordinating and resolving any such interference problems caused by such BellSouth Entity, including, without limitation, using its best efforts to correct and eliminate the interference within forty-eight (48) hours of receipt of notification from TowerCo. If the interference cannot be corrected or eliminated within such 48-hour period, BSPCI shall cause, at BSPCI's option, any Communications Equipment or Communications Facility that interferes with the operation of TowerCo's or any Space Subtenant's Communications Facility's authorized frequency spectrum or signal strength, to be immediately powered down or turned off, with the right to turn

such interfering equipment or facility back up or on only during off-peak hours specified by TowerCo or the affected Space Subtenant in order to determine whether such interference continues or has been eliminated; provided, that if any interference continues at the time the interfering equipment is powered down, the Communications Equipment that interferes with the operation of TowerCo or any Space Subtenant Communication Facility shall be turned off. If BSPCI cannot correct or eliminate, to the satisfaction of TowerCo or the affected Space Subtenant, such interference within twenty (20) days of receipt of written notice from TowerCo, the applicable BellSouth Entity shall cease the operations of the objectionable Communications Equipment and stop providing services from the applicable Communications Facility or the Subleased Property of the applicable Site in its entirety (including the Tower and Improvements) until the interference problems are resolved.

(f) Notwithstanding anything in this SECTION 15 to the contrary, in the event any interference occurs in respect of a Site and the source of such interference is not readily determinable, it shall be assumed that TowerCo or a Space Subtenant and not the BellSouth Entity is the cause of such interference, TowerCo shall be responsible for the performance of its obligations under SECTION 15(C) in respect of such interference, and the BellSouth Entity shall be relieved of any obligations under SECTION 15(E) in respect of such interference, unless and until it is determined that the BellSouth Entity is the cause of such interference.

16. TAXES AND ASSESSMENTS.

(a) TowerCo is responsible for the payment of, as and when they shall become due and payable, all Taxes and Assessments as to each Site, for each Site Term Year during the term of this Sublease as to such Site.

(b) BSPCI shall pay all Taxes and Assessments with respect to the Sites, and TowerCo shall reimburse BSPCI not later than thirty (30) days after BSPCI delivers a copy of a notice setting forth the allocation with respect to Taxes and Assessments to TowerCo. Notwithstanding anything to the contrary contained herein, the Parties agree that all Taxes and Assessments due and payable by TowerCo hereunder, may be included at BSPCI's sole option and discretion exercisable upon written notice to TowerCo, into the calculation of the Aggregate Site Maintenance Charge.

17. UTILITIES.

Prior to the Site Commencement Date as to each Site, TowerCo shall make all arrangements for, and thereafter shall pay, or cause to be paid, when due all charges for connection of all utilities and services to such Site, including, but not limited to, electricity, telephone, power, and other utility used or consumed by the applicable BellSouth Entity occupying the Reserved Space and all Space Subtenants of such Site. As among each BellSouth Entity and all Space Subtenants, TowerCo shall cause utility charges to be separately metered, and each BellSouth Entity shall be separately responsible for its own utility charges.

18. GOVERNMENTAL APPROVALS.

(a) In addition to and not in limitation of the provisions of SECTION 13(A) of this Sublease, TowerCo shall, at its own cost and expense, obtain and maintain in effect all certificates, permits, licenses and other approvals and to comply with all Laws, required or

imposed by governmental authorities, in connection with operation and maintenance of the Subleased Property of each Site (including Tower and Improvements thereon), including, without limitation, zoning Laws and FAA regulations.

(b) TowerCo shall cooperate with each BellSouth Entity in its efforts to obtain and maintain in effect all certificates, permits, licenses and other approvals and to comply with all Laws required or imposed by governmental authorities, including, without limitation, the FCC and FAA, applicable to the Reserved Space of each Site.

(c) In addition to and not in limitation of the provisions of SECTION 13(C) of this Sublease, each BellSouth Entity shall, at its own cost and expense, obtain and maintain in effect all certificates, permits, licenses and other approvals and to comply with all Laws, required or imposed by governmental authorities, in connection with operation and maintenance of the Reserved Space of each Site, including, without limitation, FAA regulations.

(d) Each BellSouth Entity shall cooperate with TowerCo in TowerCo's efforts to obtain and maintain in effect all certificates, permits, licenses and other approvals and to comply with all Laws required or imposed by governmental authorities, including, without limitation, the FCC and FAA, applicable to each Site.

19. NO LIENS.

(a) TowerCo shall not create or permit any Lien against any Site, or any part thereof. If any Lien (other than Permitted Liens) is filed against all or any part of any Site, TowerCo shall cause the same to be discharged by payment, satisfaction or posting of bond within thirty (30) days after TowerCo has obtained knowledge of such Lien. If TowerCo fails to cause any Lien (other than Permitted Liens) to be discharged within the permitted time, BSPCI may cause it to be discharged and may pay the amount of such Lien in order to do so. If BSPCI makes any such payment, all amounts paid by BSPCI shall be payable by TowerCo to BSPCI upon demand. "PERMITTED LIENS" means, as to each Site: (i) Permitted Subleasehold Mortgages of TowerCo's Subleasehold Estate in such Site, Tower or Improvements thereof; (ii) Space Subtenants' sublease interests in the Subleased Space of such Site; (iii) Liens existing on the date of the Site Designation Supplement for such Site; and (iv) Liens arising by, through or under BSPCI or any other occupant of the Reserved Space.

(b) TowerCo may, at TowerCo's sole cost and expense, in its own name and on its own behalf or in the name of and on behalf of the applicable BellSouth Entity, in good faith, contest any claim of Lien and, in the event of any such contest, may permit such claim of Lien so contested to remain unpaid, unsatisfied and undischarged during the period of such contest and any appeal therefrom; provided, however, that, if any Site, the Subleased Property of any Site or any part thereof are subject to imminent danger of loss or forfeiture by virtue of or by reason of such claim of Lien, such claim of Lien shall be complied with forthwith or TowerCo shall deposit with BSPCI a sum of money reasonably required by BSPCI as security to protect the Subleased Property of such Site from any such loss or forfeiture. The applicable BellSouth

Entity, at the sole cost and expense of TowerCo, shall cooperate fully with TowerCo in any such contest.

(c) Any Permitted Subleasehold Mortgage and all rights acquired by any Permitted Subleasehold Mortgagee shall be subject to each and every term, covenant, condition, agreement, requirement, restriction and provision set forth in this Sublease and subject to all rights, title and interest of the BellSouth Entities.

(d) Within ten (10) days after the granting of any Permitted Subleasehold Mortgage, TowerCo shall deliver to BSPCI a true, correct and fully executed copy of all documents pertaining thereto and the indebtedness secured thereby. Promptly upon TowerCo's receipt of copies of recorded documents evidencing the recordation thereof and bearing the recording information therefor, TowerCo shall deliver to BSPCI a copy of such recorded documents.

(e) Each BellSouth Entity shall execute any necessary easement or right of way for utilities for any Site promptly following any request by TowerCo, provided such easement or right of way does not have an adverse effect on such BellSouth Entity's use or enjoyment of the Reserved Space of such Site, including without limitation the operation of such BellSouth Entity's Communications Equipment thereon.

(f) No BellSouth Entity shall create or permit any Lien against the Subleased Property of any Site, or any part thereof. If any Lien is filed against all or any part of the Subleased Property of any Site, BSPCI shall cause the same to be discharged by payment, satisfaction or posting of bond within thirty (30) days after demand therefor by TowerCo. If BSPCI fails to cause any Lien to be discharged within the permitted time, TowerCo may cause it to be discharged and may pay the amount of such Lien in order to do so. If TowerCo makes any such payment, all amounts paid by TowerCo shall be payable by BSPCI to TowerCo upon demand. Nothing in this Sublease shall prohibit any BellSouth Entity from permitting a Lien against its interest under the Ground Lease or Reserved Space of any Site.

(g) BSPCI may, at BSPCI's sole cost and expense, in its own name and on its own behalf or in the name of and on behalf of TowerCo, in good faith, contest any claim of Lien and, in the event of any such contest, may permit such claim of Lien so contested to remain unpaid, unsatisfied and undischarged during the period of such contest and any appeal therefrom; provided, however, that, if the Subleased Property of any Site or any part thereof are subject to imminent danger of loss or forfeiture by virtue of or by reason of such claim of Lien, such claim of Lien shall be complied with forthwith or BSPCI shall deposit with TowerCo a sum of money reasonably required by TowerCo as security to protect the Subleased Property of such Site from any such loss or forfeiture. TowerCo, at the sole cost and expense of BSPCI, shall cooperate fully with BSPCI in any such contest.

20. CONDEMNATION.

(a) If there occurs a Taking of all or a Substantial Portion of any Site, other than a Taking for temporary use, that impairs or adversely affects any BellSouth Entity's full use

and enjoyment of the Reserved Space, then this Sublease shall automatically terminate as to such Site unless otherwise agreed by the Parties, and the Term shall automatically expire as to such Site, on the Date of Taking, as if such date were the Site Expiration Date as to such Site, and all Rent and other sums payable by TowerCo and BSPCI in respect of such Site shall be apportioned and paid through and including the Date of Taking.

(b) If there occurs a Taking of less than a Substantial Portion of any Site, then this Sublease and all duties and obligations of TowerCo under this Sublease in respect of such Site shall remain unmodified, unaffected and in full force and effect; provided, however, that the Rent in respect of such Site payable after the Taking shall be reduced to an amount which bears the same ratio to the Rent payable immediately prior to the Taking as the rental value of the Subleased Property of such Site after taking bears to the rental value of the Subleased Property of that Site immediately prior to the Taking. TowerCo shall promptly proceed to reconstruct, restore and repair the remaining portion of the Subleased Property of such Site (to the extent feasible) to a condition substantially equivalent to the condition thereof prior to the Taking. TowerCo shall be entitled to apply the Award received by TowerCo to the reconstruction, Restoration and repair of any Subleased Property of any Site from time to time as such work progresses. If the cost of the repair work exceeds the Award recovered by TowerCo, TowerCo shall pay the excess cost.

(c) If there occurs a Taking of any Subleased Property of any Site or any portion thereof, for temporary use, then this Sublease shall remain in full force and effect as to such Site for the remainder of the then current term; provided, however, that during such time as TowerCo shall be out of possession of such Subleased Property by reason of such Taking, the failure to keep, observe, perform, satisfy and comply with those terms and conditions of this Sublease compliance with which are effectively impractical or impossible as a result of TowerCo's being out of possession of such Subleased Property (and which shall not include payment of Rent) shall not be an event of default hereunder. The Award for any such temporary Taking payable for any period prior to the Site Expiration Date shall be paid to TowerCo and, for any period thereafter, to BSPCI.

21. WAIVER OF SUBROGATION; INDEMNITY.

(a) Except as provided in this Sublease, to the extent permitted by applicable Laws, TowerCo and each BellSouth Entity hereby waive any and all rights of recovery, claim, action or cause of action against each other, their respective agents, officers and employees, for any loss or damage that may occur to the Subleased Property of each Site, by reason of fire, the elements, or any other cause insured against, or required to be insured against, under the terms of policies of insurance maintained, or required to be maintained, for the Subleased Property of such Site, by TowerCo or such BellSouth Entity (as the case may be) under the terms of this Sublease, regardless of cause or origin.

(b) Subject to the provisions of SECTION 21(A) above, TowerCo agrees to indemnify and to hold each BellSouth Entity Indemnitee harmless from any and all Claims, with respect to bodily injury, personal injury or property damage suffered or incurred by such

BellSouth Entity Indemnitee by reason of, or arising out of TowerCo's ownership, operation and maintenance of each Site (including the Tower and Improvements thereon), including, without limitation: (i) any default, breach, performance or nonperformance by TowerCo of its respective obligations and covenants under this Sublease; (ii) any Claims against BellSouth Entity Indemnitee arising out of or resulting from (x) TowerCo's use, operation, maintenance or occupancy of any part of the Site or resulting from the condition of the Site or (y) any Space Subtenant's use, operation, maintenance or occupancy of its Communications Facility; (iii) any failure of TowerCo to comply with any applicable Laws or with the directives of FCC and FAA that TowerCo is required to comply with pursuant to this Sublease or under applicable Laws; (iv) any Claims arising out of or resulting from TowerCo's or any Space Subtenant's acts or omissions or the negligence or intentional acts or omissions of any of their respective agents, employees, engineers, contractors, subcontractors, licensees, or invitees in or about the Subleased Property of each Site, and (v) any other provision of this Sublease which provides that TowerCo shall indemnify and hold harmless any BellSouth Entity or a BellSouth Entity Indemnitee in respect of the matters contained in such provision. If any action or proceeding is brought against any BellSouth Entity Indemnitee by reason of any such Claim, TowerCo upon notice from BSPCI covenants and agrees to defend such action or proceeding at its expense.

(c) Subject to the provisions of SECTION 21(A) above, each BellSouth Entity agrees to indemnify and to hold each TowerCo Indemnitee harmless from any and all Claims with respect to bodily injury, personal injury or property damage suffered or incurred by TowerCo by reason of, or arising out of (i) any default, breach, performance or nonperformance of such BellSouth Entity's obligations and covenants under this Sublease; (ii) any Claims against TowerCo arising out of or resulting from such BellSouth Entity's use, operation, maintenance or occupancy of its Communications Equipment or the Reserved Space, to the extent TowerCo is not responsible therefor under the terms of this Sublease; (iii) such BellSouth Entity's failure to comply with any applicable Laws or with the directives of FCC and FAA as to such BellSouth Entity's Communications Equipment; (iv) any Claims against TowerCo arising out of or resulting from any acts or omissions or the negligence or intentional actions or omissions of any of such BellSouth Entity's agents, employees, engineers, contractors, subcontractors, licensees or invitees; and (v) any other provision of this Sublease which provides that a BellSouth Entity shall indemnify and hold harmless TowerCo in respect of the matters contained in such provision. If any action or proceeding is brought against TowerCo by reason of any such Claim, the applicable BellSouth Entity upon notice from TowerCo covenants and agrees to defend such action or proceeding at its expense.

22. SUBORDINATION AND ATTORNMENT.

(a) This Sublease and all rights of TowerCo therein, and all interest or estate of TowerCo in the Subleased Property of each Site, or any portion thereof, shall be subordinate to any and all Mortgages, which at any time during the Term, may be placed upon the Subleased Property, or any portion thereof, by any BellSouth Entity or any of its Affiliates, and to any replacements, renewals, amendments, modifications, extensions or refinancing thereof, and to each and every advance made under any Mortgage; provided, however, that the subordination and attornment contained herein shall not be effective unless the existing or any future Mortgagee thereunder shall execute and deliver an NDA in favor of TowerCo, providing that: (i) such Mortgagee will at all times fully recognize TowerCo's rights under this Sublease, and in the event of a foreclosure under any such Mortgage, so long as no event of default shall have occurred and be subsisting hereunder, and so long as TowerCo shall attorn to the purchaser upon such foreclosure, and so long as TowerCo continues to pay the Rent with respect to all Sites covered by this Sublease and to fully and completely keep, observe, satisfy, perform and comply with all agreements, terms, covenants, conditions, requirements, provisions and restrictions of this Sublease, such Mortgagee shall not disturb TowerCo's possession of the Subleased Property; and (ii) that upon Mortgagee acquiring title to the Subleased Property, TowerCo shall attorn directly to such Mortgagee. TowerCo shall agree to such other terms and conditions in the NDA as may be reasonably required by such Mortgagee, provided that such terms and conditions do not affect TowerCo's rights, nor increase or alter any of TowerCo's obligations, under this Sublease.

(b) Subject to the provision of SECTION 22(A), TowerCo shall execute in a timely manner instruments that may be required to evidence this subordination clause, in respect of the Subleased Property of each Site.

23. ENVIRONMENTAL COVENANTS.

(a) For purposes of this Sublease, the following terms shall have the following meanings: (i) "HAZARDOUS MATERIAL" or "HAZARDOUS MATERIALS" means and includes petroleum products, flammable explosives, radioactive materials, asbestos or any material containing asbestos, polychlorinated biphenyls, or any hazardous, toxic or dangerous waste, substance or material defined as such or defined as a hazardous substance or any similar term, by, in or for the purposes of the Environmental Laws, including, without limitation Section 101(14) of CERCLA (hereinafter defined); provided that the term "HAZARDOUS MATERIALS" shall exclude quantities of materials or substances maintained by any BellSouth Entity, its Affiliates, TowerCo and Space Subtenants on or about any Site (including Tower and Improvements thereon) in the ordinary course of business, so long as such materials are maintained in accordance with the applicable Environmental Laws; (ii) "RELEASE" shall have the meaning given such term, or any similar term, in the Environmental Laws, including, without limitation Section 101(22) of CERCLA; and (iii) "ENVIRONMENTAL LAW" or "ENVIRONMENTAL LAWS" shall mean any "Super Fund" or "Super Lien" law, or any other federal, state or local statute, law, ordinance, code, rule, regulation, order or decree, regulating, relating to or imposing liability or standards of conduct concerning any Hazardous Materials as may now or at any time hereafter be in effect, including, without

limitation, the following, as same may be amended or replaced from time to time, and all regulations promulgated thereunder or in connection therewith: the Super Fund Amendments and Reauthorization Act of 1986 ("SARA"); the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"); the Clean Air Act ("CAA"); the Clean Water Act ("CWA"); the Toxic Substances Control Act ("TSCA"); the Solid Waste Disposal Act ("SWDA"), as amended by the Resource Conversation and Recovery Act ("RCRA"); the Hazardous Waste Management System; and the Occupational Safety and Health Act of 1970 ("OSHA").

(b) As to each Site (other than BTS Sites), BSPCI represents and warrants to TowerCo that, as of the date of the Site Designation Supplement for such Site, (i) to the best of BSPCI's knowledge, no portion of the Land of such Site is used for the storage, processing, treatment or disposal of Hazardous Materials, except as set forth in an environmental report delivered to TowerCo; (ii) to the best of BSPCI's knowledge, no Hazardous Materials have been released, introduced, spilled, discharged or disposed of, nor has there been a threat of release, introduction, spill, discharge or disposal of a Hazardous Materials, on, in, or under the Land of such Site, except as set forth in an environmental report delivered to TowerCo; (iii) to the best of such BSPCI's knowledge, there are no pending Claims, administrative proceedings, judgments, declarations, or orders, whether actual or threatened, relating to the presence of Hazardous Materials on, in or under the Land of such Site; (iv) to the best of BSPCI's knowledge, the Land of such Site is in compliance with all applicable Environmental Laws; and (v) to the best of BSPCI's knowledge, there are no pending or threatened or contemplated condemnation actions involving all or any portion of the Land of such Site. For purposes of this Section, "TO THE BEST KNOWLEDGE OF," or words of similar import with reference to BSPCI means actual knowledge of the management of BSPCI and such actual knowledge will be imputed to the management of BSPCI if the Hazardous Materials were brought to the Site by BSPCI or its Affiliates.

(c) TowerCo covenants and agrees that: (i) TowerCo shall not conduct or allow to be conducted upon any Site any business operations or activities, or employ or use a Site, to generate, manufacture, refine, transport, treat, store, handle, dispose of, transfer, produce, or process Hazardous Materials; provided that TowerCo shall have the right to bring and keep and allow any Space Subtenant to bring and keep on the Subleased Property of each Site in compliance with all applicable Laws, batteries, generators and associated fuel tanks and other substances commonly used in the industry necessary for the operation and maintenance of each Site; (ii) TowerCo shall carry on its business and operations at each Site in compliance in all respects with, and will remain in compliance with, all applicable Environmental Laws; (iii) TowerCo shall not create or permit to be created any Lien against any Site for the costs of any response, removal or remedial action or clean-up of Hazardous Materials; (iv) TowerCo shall promptly conduct and complete all investigations, studies, sampling and testing, and all remedial, removal, and other actions necessary to clean up and remove all Hazardous Materials on, from or affecting each Site in accordance with all applicable Environmental Laws; (v) TowerCo shall promptly notify BSPCI in writing if TowerCo receives any notice, letter, citation, order, warning, complaint, injury, claim or demand that: (w) TowerCo has violated, or is about to violate, any Environmental Law, (x) there has been a Release or there is a threat of Release, of Hazardous

Materials at or from the applicable Site, (y) TowerCo may be or is liable, in whole or in part, for the costs of cleaning up, remediating, removing or responding to a Release of Hazardous Materials, or (z) a Site are subject to a Lien favor of any governmental entity for any liability, cost or damages under any Environmental Law.

(d) Each BellSouth Entity covenants and agrees that as to each Site (other than with respect to any BTS Site, prior to Completion of such Site): (i) such BellSouth Entity shall not conduct or allow to be conducted upon any Reserved Space of any Site any business operations or activities, or employ or use a Reserved Space of any Site, to generate, manufacture, refine, transport, treat, store, handle, dispose of, transfer, produce, or process Hazardous Materials; provided that such BellSouth Entity shall have the right to bring and keep on the Reserved Space of any Site in compliance with all applicable Laws, batteries, generators and associated fuel tanks and other substances commonly used in the industry necessary for the operation and maintenance of each Reserved Space of any Site; (ii) such BellSouth Entity shall carry on its business and operations on the Reserved Space of any Site in compliance in all respects with, and will remain in compliance with, all applicable Environmental Laws; (iii) such BellSouth Entity shall not create or permit to be created any Lien against any Reserved Space of any Site for the costs of any response, removal or remedial action or clean-up of Hazardous Materials; (iv) such BellSouth Entity shall promptly conduct and complete all investigations, studies, sampling and testing, and all remedial, removal, and other actions necessary to clean up and remove all Hazardous Materials on, from or affecting the Reserved Space of each Site in accordance with all applicable Environmental Laws; (v) such BellSouth Entity shall promptly notify TowerCo in writing if such BellSouth Entity receives any notice, letter, citation, order, warning, complaint, injury, claim or demand that: (w) such BellSouth Entity has violated, or is about to violate, any Environmental Law, (x) there has been a Release or there is a threat of Release, of Hazardous Materials at or from the Reserved Space of any Site, (y) such BellSouth Entity may be or is liable, in whole or in part, for the costs of cleaning up, remediating, removing or responding to a Release of Hazardous Materials, or (z) the Reserved Space of any Site is subject to a Lien in favor of any governmental entity for any liability, cost or damages under any Environmental Law.

(e) Unless resulting or arising solely from the negligent or willful acts or omissions of a BellSouth Entity or BellSouth Entity's employees, agents, engineers, contractors, subcontractors, licensees or invitees, TowerCo agrees to indemnify and hold each BellSouth Entity harmless from and against any and all Claims, including Claims of any and every kind whatsoever paid, incurred, suffered by, or asserted against such BellSouth Entity or the Site for, with respect to, or as a result of the following: (i) the presence in, on, over or under, or the escape, seepage, leakage, spillage, discharge, emission or Release on or from the Site of any Hazardous Materials prior to the applicable Site Expiration Date or earlier date of termination of this Sublease; (ii) the violation of any Environmental Laws relating to or affecting the Site prior to the applicable Site Expiration Date or earlier date of termination of this Sublease; (iii) the violation of any of the Environmental Laws prior to the applicable Site Expiration Date or earlier date of termination of this Sublease in connection with any other property owned by TowerCo, which violation gives or may give rise to any rights whatsoever in any Party with respect to the

Site by virtue of any of the Environmental Laws; (iv) any warranty or representation made by TowerCo in this SECTION 23 is or becomes false or untrue in any material respect; or (v) the violation or breach of, or the failure of TowerCo to fully and completely keep, observe, satisfy, perform and comply with, any agreement, term, covenant, condition, requirement, provision or restriction of this SECTION 23.

(f) Unless resulting or arising from the negligent or willful acts or omissions of TowerCo or TowerCo's employees, agents, engineers, contractors, subcontractors, licensees or invitees, each BellSouth Entity agrees to indemnify and hold TowerCo harmless from and against any and all Claims, including Claims of any and every kind whatsoever paid, incurred, suffered by, or asserted against TowerCo or the Reserved Space of the applicable Site for, with respect to, or as a result of the following, except as to any BTS Site, to the extent arising prior to Completion thereof: (i) the presence in, on, over or under, or the escape, seepage, leakage, spillage, discharge, emission or Release on or from the Reserved Space of any Site of any Hazardous Materials prior to the applicable Site Expiration Date or earlier date of termination of this Sublease; (ii) the violation of any Environmental Laws relating to or affecting the Reserved Space of any Site prior to the applicable Site Expiration Date or earlier date of termination of this Sublease; (iii) the violation of any of the Environmental Laws prior to the applicable Site Expiration Date or earlier date of termination of this Sublease in connection with any other property owned by TowerCo, which violation gives or may give rise to any rights whatsoever in any Party with respect to the Reserved Space of any Site by virtue of any of the Environmental Laws; (iv) any warranty or representation made by BSPCI in this SECTION 23 is or becomes false or untrue in any material respect; or (v) the violation or breach of, or the failure of BSPCI to fully and completely keep, observe, satisfy, perform and comply with, any agreement, term, covenant, condition, requirement, provision or restriction of this SECTION 23.

(g) Notwithstanding anything to the contrary in this Sublease, in the event any Claim of a type giving rise to indemnification obligations under SECTION 23 is asserted against a TowerCo Indemnitee and it cannot be readily determined that it was the act or omission of a BellSouth Entity that gave rise to such Claim, it shall be assumed for all purposes hereof that it was TowerCo's or a Space Subtenant's act or omission, TowerCo shall indemnify BellSouth Entity Indemnitees in respect of such Claim pursuant to SECTION 23(E), and no BellSouth Entity shall have obligation or liability to any TowerCo Indemnitee in respect of such Claim unless and until it is finally determined that a BellSouth Entity's act or omission gave rise to such Claim. The provisions of this SECTION 23 shall survive the applicable Site Expiration Date or earlier termination of this Sublease. The foregoing provisions of this SECTION 23 are not intended to limit the generality of any of the other provisions of this Sublease.

24. INSURANCE.

(a) From and after the Site Commencement Date as to each Site, the applicable BellSouth Entity shall procure, and shall maintain in full force and effect at all times during the Term as to such Site, the following types of insurance with respect to the Reserved Space of each Site, and, if applicable, any of the Available Space subleased to BSPCI pursuant to SECTION 25(D), paying as the same become due all premiums therefor:

(i) commercial general public liability insurance insuring against all liability of such BellSouth Entity and such BellSouth Entity's officers, employees, agents, licensees and invitees arising out of, by reason of or in connection with the use or occupancy of the Reserved Space of the applicable Site and, if applicable, any of the Available Space subleased to BSPCI pursuant to SECTION 25(D), if any, in an amount of not less than $1,000,000 for bodily injury or property damage as a result of one occurrence, and not less than $2,000,000 for bodily injury or property damage in the aggregate;

(ii) umbrella or excess liability insurance with limits not less than $5,000,000 per occurrence and in the aggregate; and

(iii) workers' compensation insurance covering all employees of such BellSouth Entity to the extent required by any Laws.

(b) Each BellSouth Entity shall pay all premiums for the insurance coverage which such BellSouth Entity is required to procure and maintain under this Sublease. Each insurance policy: (i) shall name TowerCo as an additional insured; provided that such requirement shall only apply to liability policy and shall have no application to workers' compensation policies; and (ii) shall provide that the policy cannot be canceled as to TowerCo except after the insurer endeavors to give TowerCo thirty (30) days' written notice of cancellation. TowerCo agrees that each BellSouth Entity may, at such BellSouth Entity's option and election self insure with respect to all or a portion of the risks required to be insured against by such BellSouth Entity under this SECTION 24. If any BellSouth Entity elects to be covered by and participate in its self insurance and risk management programs, BSPCI shall notify TowerCo of such election. From time to time, upon reasonable request by TowerCo, such BellSouth Entity shall furnish to TowerCo the information concerning its risk management and self insurance policies and programs in effect at the time of such request.

(c) For each Site, TowerCo shall procure, and shall maintain in full force and effect at all times during the Term as to the applicable Site, the following types of insurance with respect to each Site, including the Tower and Improvements thereon, paying as the same become due all premiums therefor:

(i) commercial general public liability insurance insuring against all liability of TowerCo and TowerCo's officers, employees, agents, licensees and invitees arising out of, by reason of or in connection with the use, occupancy or maintenance of each Subleased Property (including Tower and the Improvements), in an amount of not less than $1,000,000 for bodily injury or property damage or as a result of one occurrence, and not less than $2,000,000 for bodily injury or property damage in the aggregate;

(ii) umbrella or excess liability insurance with limits not less than $5,000,000 per occurrence and in the aggregate; and

(iii) insurance in an amount not less than full replacement cost of the Tower and Improvements of each Site, against direct and indirect loss or damage by fire and all other casualties and risks covered under "All Risk" insurance; and

(iv) workers' compensation insurance covering all employees of TowerCo or its Affiliates to the extent required by any Laws.

(d) TowerCo shall pay all premiums for the insurance coverage which TowerCo is required to procure and maintain under this Sublease. Each insurance policy (i) shall name BSPCI as an additional insured; provided that such requirement shall only apply to liability policy and shall have no application to workers' compensation policies; and (ii) shall provide that the policy cannot be canceled as to BSPCI except after the insurer gives BSPCI ten (10) days' written notice of cancellation.

(e) All policy amounts set forth in this SECTION 24 shall be reset every five (5) years during the Term to increase by an amount not less than the CPI Increase over the five (5) year period, except to the extent the Parties otherwise agree.

(f) TowerCo shall not, on its own initiative or pursuant to request or requirement of any Space Subtenants or other Person, take out separate insurance concurrent in form or contributing in the event of loss with that required in SECTION 24(C), unless BSPCI is named therein as an additional insured. The Parties agree that, with respect to Parties, the outstanding publicly traded debt of which is rated investment grade by Standard & Poor's or Moody's, all policies of insurance required by this SECTION 24 may contain such loss retention provisions or deductibles as is reasonable in light of financial conditions of the Parties. TowerCo shall immediately notify BSPCI whenever any such separate insurance is taken out and shall deliver to BSPCI original certificates evidencing the same.

(g) As to the Subleased Property of each Site, all policies of insurance shall be written on companies rated A+ by AM Best or a comparable rating and licensed in the State where such Site is located. Certificates evidencing insurance shall be in a form reasonably acceptable to the recipient Party, shall be delivered to such Party upon commencement of the Term and prior to expiration of such policy, new certificates evidencing such insurance, shall be delivered to such Party not less than twenty (20) days prior to the expiration of the then current policy term. The Parties agree that all policies of insurance required by this SECTION 24, including from Space Subtenants, may contain such loss retention provisions or deductibles as is reasonable in light of financial conditions of the Parties.

(h) Nothing in this SECTION 24 shall prevent any BellSouth Entity or TowerCo from obtaining insurance of the kind and in the amount provided for under this SECTION 24 under a blanket insurance policy or policies (evidence thereof reasonably satisfactory to the other Party shall be delivered to the other Party by the insuring Party) which may cover other properties owned or operated by the insuring Party as well as the Subleased Property or the Available Space; provided, however, that any such policy of blanket insurance shall: (i) specify the

amounts thereof to the extent such amounts are used to meet the initial limits required pursuant to this SECTION 24, it being understood that such specification shall not diminish or limit the availability of the entire amount of the blanket insurance policy; and (ii) provide that such policies of blanket insurance shall, as respects the Subleased Property of each Site, contain the various provisions required of such an insurance policy by the foregoing provisions of this SECTION 24.

25. RIGHT OF SUBSTITUTION; RIGHT OF FIRST REFUSAL.

(a) Notwithstanding anything to the contrary contained herein and subject to SECTION 5(B), each BellSouth Entity shall have the right to modify and/or replace, at such BellSouth Entity's expense, its Communications Equipment at any Site provided said replacement Communications Equipment does not increase the weight or sail area by more than ten percent (10%) of the weight or sail area on the applicable Site Commencement Date.

(b) Notwithstanding anything to the contrary contained herein, if during the Term, there is any Available Space in respect of the Subleased Property of any Site, then BSPCI shall have the Right of Substitution as to such Available Space, provided that the relocation shall not violate the requirements of SECTION 25(A). The Right of Substitution pursuant to this SECTION 25(B) may be exercised by BSPCI at any time, and from time to time, without limit, upon written notice to TowerCo. If BSPCI elects to exercise its Right of Substitution, then, upon completion of the relocation of the Communications Equipment of BSPCI on the Tower and Improvements thereon, the previously existing Reserved Space of the applicable Site shall automatically be released by BSPCI and become a part of the Subleased Property of such Site, subject to the terms of this Sublease, and concurrently therewith, the Available Space on such Site to which the Communications Equipment of BSPCI has been relocated shall, upon the amendment of the Site Designation Supplement, automatically become and constitute the Reserved Space of such Site subject to SECTION 5. The terms of this SECTION 25(B) shall be self-operative, and no further instrument shall be required to evidence any Substitution; provided, however, that upon the request of either BSPCI or TowerCo, the Parties shall promptly execute such instruments as may be reasonably required to further evidence such Substitution, including without limitation an amendment to the applicable Site Designation Supplement and cause such amendment to be recorded at BSPCI's cost and expense. BSPCI shall, at BSPCI's cost and expense, complete the relocation of its Communications Equipment within thirty (30) days of the exercise of its Right of Substitution and return the previously existing Reserved Space to its original condition, ordinary wear and tear excepted.

(c) Notwithstanding anything to the contrary contained herein, if during the Term, TowerCo intends to sublease any Available Space of the Subleased Property of any Site to a potential Space Subtenant, TowerCo shall send BSPCI a copy of any letter-offer, letter of intent, or other correspondence with the potential Space Subtenant together with a summary of the economic terms of the proposed lease or sublease as contained in such documents, which economic terms shall include at least the number and location of all Sites subject to the proposed lease or sublease, the number, type, and location of each antenna on each Tower, the rent payable for such antenna at each location on the Tower (including any escalation provisions), and the

term of each Space Subtenant lease or sublease and each of any renewals thereof (the "ECONOMIC OFFER"). BSPCI may, in its sole discretion, by providing written notice thereof to TowerCo within ten (10) days after receipt of the Economic Offer from TowerCo (x) exercise its Right of Substitution pursuant to SECTION 25(B) in respect of such Available Space, or (y) exercise its Right of First Refusal in respect of such Available Space pursuant to SECTIONS 25(E) and (F), or (z) exercise both, if with respect to multiple Sites. If TowerCo intends to sublease Available Space at multiple Sites, BSPCI shall not be entitled to exercise either its Right of Substitution and/or its Right of First Refusal as to any Available Space unless BSPCI exercises such Right in respect of a minimum of the greater of (i) five percent (5%) or (ii) two (2) of the total number of Available Spaces for those multiple Sites that TowerCo intends to sublease.

(d) If BSPCI exercises its Right of Substitution as to any Available Space, then such Available Space shall become the Reserved Space for all purposes of this Sublease and be subject to the provisions of SECTION 5. If BSPCI exercises its Right of First Refusal as to such Available Space, then TowerCo shall sublease the Available Space to BSPCI subject to the terms and conditions set forth in the applicable Economic Offer and BSPCI and TowerCo shall execute a sublease agreement in the form of EXHIBIT B, as modified to reflect the terms and conditions of the applicable Economic Offer, or in any other form acceptable to TowerCo and BSPCI and, BSPCI shall, for all purposes of this Sublease, become a Space Subtenant of such Available Space.

(e) If BSPCI fails to notify TowerCo as to its election under SECTION 25(D), then BSPCI's options referred to in SECTION 25(D) with respect to such Available Space shall expire and TowerCo shall be entitled to sublease such Available Space to a potential Space Subtenant upon the terms and conditions contained in the applicable Economic Offer.

(f) If TowerCo exercises its right to sublease any Available Space of any Site to a potential Space Subtenant in accordance with the Economic Offer, whether or not BSPCI exercises all or part of its Right of Substitution or Right of First Refusal with respect thereto, TowerCo shall promptly provide BSPCI copy of the final definitive lease or sublease with the Space Subtenant (the "FINAL AGREEMENT"). If the economic terms of the Economic Offer are not the same or better than those of the Final Agreement, then, in addition to any other remedies BSPCI have, BSPCI may require that any Site Maintenance Charge, if it exercised its Right of Substitution, or rent, if it exercised its Right of First Refusal, and all other economic terms, be reduced to and conformed with those of the Final Agreement.

(g) If such Available Space has not been so subleased to such Space Subtenant within one hundred and twenty (120) days after BSPCI receipt of the applicable Economic Offer, then the restrictions provided in this SECTION 25 shall again become effective with respect to such Available Space, and TowerCo shall have no right to sublease any such Available Space without again offering such Available Space to BSPCI in accordance with the provisions of this SECTION 25.

26. ASSIGNMENT AND SUBLETTING.

(a) Without the prior written consent of BSPCI, TowerCo may not assign this Sublease or any of TowerCo's rights hereunder in whole or in part, or sublet this Sublease in whole, or any of TowerCo's rights hereunder; except that TowerCo may assign this Sublease or sublet all or any portion of the Subleased Property of each Site, without the requirement of any consent by BSPCI, to a successor corporation or entity, by way of merger, consolidation or other reorganization, or to any parent, subsidiary or Affiliate of TowerCo, or to any Person acquiring all or substantially all of TowerCo's assets, or to any Person acquiring and continuing that portion of TowerCo's business operations conducted at or from the Subleased Property; provided, however, in each case that such assignee: (i) is a Permitted TowerCo Transferee; and (ii) is not a BSPCI Competitor. The foregoing restriction shall not limit the right of TowerCo, without notice to or consent of BSPCI, to sublease, license or otherwise transfer rights to utilize all or any part of the Subleased Property of any Site or any Available Space on such Site to Space Subtenants.

(b) Notwithstanding anything to the contrary contained in this Sublease, the parties acknowledge and agree that BSPCI and the Carolinas Partnership shall have the unrestricted right to sell, convey, transfer, assign, sublease or otherwise dispose its respective Reserved Space in any Site to any of its Affiliates. The parties further agree that in connection with a Partitioning Event in respect of a BellSouth Entity Affiliate, the Carolinas Partnership may sublease or assign the Reserved Space of the affected Sites to such BellSouth Entity Affiliate and upon such sublease or assignment the Carolinas Partnership shall vacate such Reserved Space, but for all purposes hereof shall remain responsible for the performance of any and all of its obligations hereunder. After the tenth (10th) anniversary of the date hereof, BSPCI shall have the unrestricted right to sell, convey, transfer, assign, sublease or otherwise dispose of BSPCI's interest in and to any Site (including BSPCI's or its Affiliate's interest in and to the Subleased Property of such Site), in whole or in part (a "TRANSFER"). Subject to the first two (2) sentences of this SECTION 26(B), prior to the tenth (10th) anniversary of the date hereof, BSPCI may Transfer BSPCI's interest in and to any Site (including BSPCI's or its Affiliate's interest in and to the Subleased Property of such Site), in whole or in part, if any such Transfer is to: (i) a BellSouth Entity Affiliate; (ii) any Person that is not a BellSouth Entity Affiliate and does not qualify as a Permitted Transferee (a "NON-QUALIFYING TRANSFEREE"), so long as the aggregate number of Sites that are the subject of one or more Transfers pursuant to this clause (ii) at any time during the Term does not exceed twenty percent (20%) of the Sites now or hereafter subject to this Sublease; or (iii) a Permitted Transferee or, subject to the further restrictions set forth in the last paragraph of this SECTION 26(B), a Non-Qualifying Transferee, (x) in connection with a Market Transaction (as hereinafter defined), (y) in connection with the Transfer of a single Site, subject to TowerCo's rights under SECTION 10(D), or (z) in connection with a Transfer of all or a substantial portion of the Sites subject to this Sublease. In the event of any such Transfer by BSPCI or its Affiliate, except in the case of a Transfer to a Non-Qualifying Transferee pursuant to clause (iii), all obligations under this Sublease of the Person effecting such Transfer shall cease and terminate, and TowerCo shall look only and solely to the Person to whom or which BSPCI's or such Affiliate's interest in and to such Site (including BSPCI's or such Affiliate's interest in and to the Subleased Property thereof or

any portion thereof) (a "TRANSFEREE") is Transferred for performance of all of BSPCI's or such Affiliate's duties and obligations under this Sublease.

The term "MARKET TRANSACTION" means any Transfer of Site(s) between a BellSouth Entity or BellSouth Entity Affiliates, on the one hand, and other providers of telecommunications services who are not BellSouth Entity Affiliates, on the other hand, for the primary purpose of allowing a BellSouth Entity or a BellSouth Entity Affiliate to enter a new market, to expand an existing market, to exit an existing market, or to exit part of an existing market, including, without limitation, any transfer of Sites(s) by a BellSouth Entity or BellSouth Entity Affiliates to other providers of telecommunications services who are not BellSouth Entity Affiliates within one or more geographic locations, in each case regardless of whether such market is defined in terms of geographic locations or new services.

Notwithstanding the foregoing, in the event of a Transfer by BSPCI or its Affiliate pursuant to clause (iii) of this SECTION 26(B) to a Non-Qualifying Transferee, BSPCI or such Affiliate shall remain liable under this Sublease for such Non-Qualifying Transferee's performance of BSPCI's obligations hereunder; provided, however, that if either (x) such Non-Qualifying Transferee ultimately becomes a Permitted Transferee or (y) no unwaived event of default on the part of such Non-Qualifying Transferee occurs in respect of such Sites for three (3) years after the date of such Transfer to such Transferee, BSPCI or such Affiliate, as applicable, shall be released from any and all obligations under this Sublease as to such Sites, pursuant to SECTION 26(C), and upon BSPCI's request TowerCo shall confirm such release in writing.

(c) Except as expressly provided in SECTION 26(B), wherever under or in connection with this Sublease BSPCI assigns its right, title or interest, in whole or in part, in or to this Sublease or any Site, BSPCI shall be released from performing any and all obligations under this Sublease in respect of the right, title or interest so assigned and under the applicable Ground Lease, from and after the date of such assignment, subject only to the applicable BellSouth Entity's receipt of any consent or approval required from the applicable Ground Lessor, and TowerCo hereby acknowledges such release. At or prior to any partial assignment of this Sublease, BSPCI and such assignee shall have entered into one or more agreements, including without limitation, a sublease and site designation supplements (collectively, the "NEW SUBLEASE DOCUMENTS"), that afford BSPCI and its Affiliates relative rights (including, without limitation, provisions relating to the calculation of the Site Payment and the right of BSPCI to act for TowerCo), vis-a-vis BSPCI rights and obligations under the New Sublease Documents no less favorable to BSPCI and its Affiliates than those afforded by the Sublease and the Site Designation Supplements with respect to the rights and obligation of BSPCI and its Affiliate, and are otherwise in form and substance reasonably satisfactory to BSPCI.

(d) Without limiting the generality of the other provisions of this Sublease, any assignment of interest pursuant to this Sublease shall be effectuated by ten (10) days' written notice of such assignment, which notice shall include the name, address, and telephone number of assignee. Each Party hereby agrees that any attempt of the other Party to assign its interest in

this Sublease or any of its rights hereunder, in whole or in part, in violation of Section 26(A) shall constitute a default under this Sublease and shall be null and void ab initio.

27. ESTOPPEL CERTIFICATE. Either Party, from time to time upon ten (10) days' prior request by the other Party, shall execute, acknowledge and deliver to the requesting Party, or to a person designated by such requesting Party, a certificate stating that this Sublease is unmodified and in full effect (or, if there have been modifications, that this Sublease is in full effect as modified, and setting forth such modifications) and the dates to which Rent and other sums payable under this Sublease have been paid, and either stating that to the knowledge of the signer of such certificate no default exists hereunder or specifying each such default of which the signer has knowledge. The requesting Party, at such Party's cost and expense, shall cause such certificate to be prepared for execution by the requested Party. Any such certificate may be relied upon by any prospective Mortgagee or purchaser of the Subleased Property of each Site.

28. HOLDING OVER. If TowerCo remains in possession of the Subleased Property of any Site after expiration or termination of the then current Term as to such Site without any express written agreement by BSPCI, then TowerCo shall be and become a tenant at sufferance, and there shall be no renewal or extension of this Sublease by operation of law.

29. RIGHTS OF ENTRY AND INSPECTION. (a) TowerCo shall permit BSPCI and its representatives, agents and employees to enter the Subleased Property of any Site at all reasonable times for the purposes of inspecting such Subleased Property, showing the Site to prospective purchasers, tenants and Mortgagees, making any repairs or replacements or performing any maintenance, and performing any work on the Site that BSPCI may consider necessary to prevent or cure deterioration, waste or unsafe conditions. Nothing in this SECTION 29 shall imply or impose any duty or obligation upon BSPCI to enter upon any Site at any time for any purpose, or to inspect the Subleased Property at any time, or to perform, or pay the cost of, any work which TowerCo is required to perform under any provision of this Sublease, and no BellSouth Entity has such duty or obligation.

(b) Each BellSouth Entity shall permit TowerCo and TowerCo's representatives to inspect such BellSouth Entity Communications Equipment for the purpose, in the event of an Emergency only, for making repairs or replacements to address such Emergency. The foregoing shall not limit TowerCo's rights pursuant to SECTION 7 hereof.

30. A PARTY'S RIGHT TO ACT FOR THE OTHER PARTY.

(a) In addition to and not in limitation of any other remedy BSPCI may have under this Sublease, if TowerCo fails to make any payment or to take any other action when and as required under this Sublease, including without limitation SECTION 12(A) and EXHIBIT C, BSPCI may, without demand upon TowerCo and without waiving or releasing TowerCo from any duty, obligation or liability under this Sublease, make any such payment or take any such other action required of TowerCo. Unless TowerCo's failure results in or relates to an Emergency, BSPCI shall give TowerCo at least ten (10) days prior written notice of BSPCI's action and TowerCo shall have

the right to cure such failure within such 10-day period. No such notice shall be required in the event of an Emergency. The actions which BSPCI may take shall include, but are not limited to, the performance of maintenance or repairs and the making of replacements to the Towers and Improvements on each Site, the payment of insurance premiums which TowerCo is required to pay under this Sublease and the payment of Taxes and Assessments which TowerCo is required to pay under this Sublease, other than Taxes and Assessments that are paid pursuant to SECTION 16(B) and reimbursed in the calculation of the Site Maintenance Charge. BSPCI may pay all incidental costs and expenses incurred in exercising its rights hereunder, including, without limitation, reasonable attorneys' fees and expenses, penalties, re-instatement fees, late charges, and interest. One hundred twenty percent (120%) of the total amount of the costs and expenses (including salaries and benefits of BSPCI employees charged on a one time basis but excluding any overhead) attributable to BSPCI's rights under this SECTION 30, is referred to as the "REIMBURSABLE MAINTENANCE EXPENSES" of BSPCI. All amounts paid by BSPCI pursuant to this SECTION 30(A), and all costs and expenses incurred by BSPCI in exercising BSPCI's rights under this SECTION 30(A), shall bear interest at the rate of eighteen percent (18%) per annum from the date of payment by BSPCI until paid by TowerCo.

(b) If BSPCI fails to pay any Ground Rent or to make any other payment or to take any other action when and as required under this Sublease, TowerCo may, without demand upon BSPCI and without waiving or releasing BSPCI from any duty, obligation or liability under this Sublease, pay any such Ground Rent, make any such other payment or take any such other action required of BSPCI. Unless BSPCI's failure results in or relates to an Emergency, TowerCo shall give BSPCI at least ten (10) days prior written notice of TowerCo's action. No such notice shall be required in the event of an Emergency. The actions which TowerCo may take shall include, but are not limited to, the payment of insurance premiums which the applicable BellSouth Entity is required to pay under this Sublease and the payment of Taxes and Assessment which such BellSouth Entity is required to pay under this Sublease. TowerCo may pay all incidental costs and expenses incurred in exercising its rights hereunder, including, without limitation, reasonable attorneys' fees and expenses, penalties, reinstatement fees, late charges, and interest. All amounts paid by TowerCo pursuant to this SECTION 30(B), and all costs and expenses incurred by TowerCo in exercising TowerCo's rights under this SECTION 30(B), shall bear interest at the rate of eighteen percent (18%) per annum from the date of payment by TowerCo and shall be payable by BSPCI to TowerCo upon demand. For purposes of this Section, the term "EMERGENCY" means any event that causes, has caused or is likely to cause: (i) as to BSPCI or its Affiliate, any bodily injury, personal injury or property damage; (ii) as to BSPCI or its Affiliate, suspension, revocation, termination or any other adverse material effect on such BellSouth Entity's or such Affiliates' licenses and/or permits; (iii) as to BSPCI, any adverse effect on the ability of BSPCI or its Affiliate to operate its Communication Facility on such Site; (iv) as to TowerCo, any adverse effect on the ability of TowerCo to operate its Subleased Property on such Site; and (v) as to TowerCo, a termination of the Ground Lease with respect to such Site.

31. DEFAULTS AND REMEDIES.

(a) The following events shall constitute events of default by the applicable BellSouth Entity:

(i) if such BellSouth Entity fails to timely pay Ground Rent as provided in SECTION 3(H) within any applicable grace period thereunder or to perform any other material obligations pursuant to the applicable Ground Lease for a Site that such BellSouth Entity is expressly required to perform pursuant to the terms of this Sublease and shall not cure such failure by the later of (x) the expiration of any applicable cure period, or (y) thirty (30) days after TowerCo gives BSPCI written notice thereof; or

(ii) if such BellSouth Entity shall violate or breach, or shall fail fully and completely to observe, keep, satisfy, perform and comply with, any agreement, term, covenant, condition, requirement, restriction or provision of this Sublease in respect of any Site (which violations, breaches or failures may be different for each Site), and shall not cure such violation, breach or failure within thirty (30) days after TowerCo gives BSPCI written notice thereof, or, if such failure shall be incapable of cure within thirty (30) days, if such BellSouth Entity shall not commence to cure such failure within such thirty (30) day period and continuously prosecute the performance of the same to completion with due diligence; or

(iii) subject to SECTION 31(I), if such BellSouth Entity breached any material representation or warranty in this Sublease as to any Site as of the date when made.

(iv) if such BellSouth Entity becomes insolvent as defined in the Uniform Commercial Code under the Laws applicable to this Sublease or makes an assignment for the benefit of creditors; or if any action is brought by such BellSouth Entity seeking its dissolution or liquidation of its assets or seeking the appointment of a trustee, interim trustee, receiver or other custodian for any of its property; or if such BellSouth Entity commences a voluntary proceeding under the Federal Bankruptcy Code; or if any reorganization or arrangement proceeding is instituted by such BellSouth Entity for the settlement, readjustment, composition or extension of any of its debts upon any terms; or if any action or petition is otherwise brought by such BellSouth Entity seeking similar relief or alleging that it is insolvent or unable to pay its debts as they mature; or if any action is brought against such BellSouth Entity seeking its dissolution or liquidation of any of its assets, or seeking the appointment of a trustee, interim trustee, receiver or other custodian for any of its property, and any such action is consented to or acquiesced in by such BellSouth Entity or is not dismissed within ninety (90) days after the date upon which it was instituted; or if any proceeding under the Federal Bankruptcy Code is instituted against such BellSouth Entity and

(1) an order for relief is entered in such proceeding, or (2) such proceeding is consented to or acquiesced in by such BellSouth Entity or is not dismissed within ninety (90) days after the date upon which it was instituted; or if any reorganization or arrangement proceeding is instituted against such BellSouth Entity for the settlement, readjustment, composition or extension of any of its debts upon any terms, and such proceeding is consented to or acquiesced in by such BellSouth Entity or is not dismissed within ninety (90) days after the date upon which it was instituted; or if any action or petition is otherwise brought against such BellSouth Entity seeking similar relief or alleging that it is insolvent, unable to pay its debts as they mature or generally not paying its debts as they become due, and such action or petition is consented to or acquiesced in by such BellSouth Entity or is not dismissed within thirty (30) days after the date upon which it was brought.

(b) Upon the occurrence of any event of default by any BellSouth Entity under SECTION 31(A)(IV), TowerCo may terminate this Sublease by giving BSPCI written notice of termination, and this Sublease shall be terminated at the time designated by TowerCo in its notice of termination to BSPCI. Upon the occurrence of any event of default by any BellSouth Entity under SECTIONS 31(A)(I)-(A)(III) as to the Reserved Space of a Site, TowerCo may terminate this Sublease as to such Site by giving BSPCI written notice of termination, and this Sublease shall be terminated as to the applicable Site at the time designated by TowerCo in its notice of termination to BSPCI. Notwithstanding the foregoing, if BSPCI fails to pay any portion of a Site Payment because BSPCI, acting in good faith, reduced the amount of Site Maintenance Charges paid to TowerCo in giving effect to a mistaken belief that it made Reimbursable Maintenance Expenses under SECTION 30(A) that BSPCI was not permitted to make, such failure shall not constitute an event of default hereunder. Upon TowerCo's demand after any resolution of any dispute as to the amount of such Reimbursable Maintenance Expenses, BSPCI shall pay such amount to TowerCo, with interest thereon at the rate of eighteen percent (18%) per annum, from the date such amount was due until the date paid.

(c) TowerCo's remedy stated in SECTION 31(B) above shall not preclude pursuit of any other remedy or remedies provided in this Sublease or any other remedy or remedies provided for or allowed by law or in equity, separately or concurrently or in any combination.

(d) The following events shall constitute events of default by TowerCo:

(i) if TowerCo fails to make payment of any Rent or other amount hereunder and such failure continues for thirty (30) days after the date such payment was due and payable; or

(ii) (x) TowerCo shall violate or breach, or shall fail fully and completely to observe, keep, satisfy, perform and comply with, any term, covenant, condition, requirement, restriction or provision of this Sublease with

respect to any Site (which violations, breaches or failures may be different for each Site), and shall not cure such violation, breach or failure within thirty (30) days after BSPCI gives TowerCo written notice thereof, or, if such failure shall be incapable of cure within thirty (30) days, if TowerCo shall not commence to cure such failure within such thirty (30) day period and continuously prosecute the performance of the same to completion with due diligence, or (y) the aggregate amount of Reimbursable Maintenance Expenses in respect of any Site pursuant to SECTION 30(A) exceeds $2,000 on at least two occurrences within the same Sublease Year, whether or not reimbursed by TowerCo or included in the calculation of the Site Payment; or

(iii) subject to SECTION 31(I), any representation or warranty made by TowerCo in this Sublease or any Site Designation Supplement shall be false or misleading in any material respect on the date as of which made (or deemed made); or

(iv) TowerCo or CCIC shall violate or breach, or shall fail fully and completely to observe, keep, satisfy or perform any obligation for money borrowed in connection with this Sublease, including, without limitation, Mortgages, or any obligation under notes payable or drafts accepted, or any obligation of any other agreement, term or condition contained in any indenture or agreement under which any such obligation is created, guaranteed or secured if the effect of such default is to cause such obligation to become due prior to its stated maturity; or

(v) if TowerCo becomes insolvent as defined in the Uniform Commercial Code under the Laws applicable to this Sublease or any Site or makes an assignment for the benefit of creditors; or if any action is brought by TowerCo seeking its dissolution or liquidation of its assets or seeking the appointment of a trustee, interim trustee, receiver or other custodian for any of its property; or if TowerCo commences a voluntary proceeding under the Federal Bankruptcy Code; or if any reorganization or arrangement proceeding is instituted by TowerCo for the settlement, readjustment, composition or extension of any of its debts upon any terms; or if any action or petition is otherwise brought by TowerCo seeking similar relief or alleging that it is insolvent or unable to pay its debts as they mature; or if any action is brought against TowerCo seeking its dissolution or liquidation of any of its assets, or seeking the appointment of a trustee, interim trustee, receiver or other custodian for any of its property, and any such action is consented to or acquiesced in by TowerCo or is not dismissed within ninety (90) days after the date upon which it was instituted; or if any proceeding under the Federal Bankruptcy Code is instituted against TowerCo and (1) an order for relief is entered in such proceeding, or (2) such proceeding is consented to or acquiesced in by TowerCo or is not dismissed within ninety (90) days after the date upon which it was instituted; or if any reorganization or arrangement proceeding is instituted against TowerCo for the settlement, readjustment,

composition or extension of any of its debts upon any terms, and such proceeding is consented to or acquiesced in by TowerCo or is not dismissed within ninety (90) days after the date upon which it was instituted; or if any action or petition is otherwise brought against TowerCo seeking similar relief or alleging that it is insolvent, unable to pay its debts as they mature or generally not paying its debts as they become due, and such action or petition is consented to or acquiesced in by TowerCo or is not dismissed within thirty (30) days after the date upon which it was brought.

(e) Upon the occurrence of any event of default by TowerCo under SECTION 31(D) or SECTION 12(C) in respect of any Site, BSPCI may terminate this Sublease as to the applicable Site by giving TowerCo written notice of termination, and this Sublease shall be terminated as to such Site, at the time designated by BSPCI in its notice of termination to TowerCo, unless otherwise provided herein. Upon the occurrence of unwaived events of default (whether of the same or different types) by TowerCo under SECTION 31(D) in respect of more than twenty (20) Sites during any consecutive five (5) year period, BSPCI may terminate this Sublease as to all Sites, by giving TowerCo written notice of termination, and this Sublease shall be terminated as to all Sites at the time designated by BSPCI in its notice of termination to TowerCo.

(f) BSPCI's pursuit of any remedy or remedies provided in this Sublease, including without limitation SECTION 31(E), or any remedy or remedies provided for or allowed by law or in equity, separately or concurrently or in any combination, including, without limitation, (i) specific performance or other equitable remedies; (ii) money damages arising out of such default; (iii) BSPCI may exercise the Withdrawal Right as to any Site immediately and without further act, pursuant to SECTION 10; or (iv) BSPCI may perform, on behalf of TowerCo, TowerCo's obligations under the terms of this Sublease pursuant to SECTION 30, in which event BSPCI shall have the right to set off all Reimbursable Maintenance Expenses against the Site Payment BSPCI is required to make. If the amount of Reimbursable Maintenance Expenses exceeds the Site Payment payable by BSPCI hereunder and TowerCo does not reimburse BSPCI the full amount of such excess within ten (10) days following BSPCI's written demand therefor, BSPCI may terminate this Sublease in respect of all or any of the Sites pursuant to SECTION 31(E).

(g) A Party's pursuit of any one or more of the remedies provided in this Sublease shall not constitute an election of remedies excluding the election of another remedy or other remedies, or a forfeiture or waiver of any Site Payment, Rent or other amounts payable under this Sublease as to the applicable Site by such Party or waiver of any relief or damages or other sums accruing to such Party by reason of the other Party's failure to fully and completely keep, observe, perform, satisfy and comply with all of the agreements, terms, covenants, conditions, requirements, provisions and restrictions of this Sublease. TowerCo shall be entitled to injunctive relief and reasonable attorneys' fees and costs in respect of any event of default by the applicable BellSouth Entity under SECTION 3(H). Notwithstanding anything to the contrary contained herein, neither Party shall be liable to the other parties 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.

(h) Either Party's forbearance in pursuing or exercising one or more of its remedies shall not be deemed or construed to constitute a waiver of any event of default or of any remedy. No waiver by either Party of any right or remedy on one occasion shall be construed as a waiver of that right or remedy on any subsequent occasion or as a waiver of any other right or remedy then or thereafter existing. No failure of either Party to pursue or exercise any of it's powers, rights or remedies or to insist upon strict and exact compliance by the other Party with any agreement, term, covenant, condition, requirement, provision or restriction of this Sublease, and no custom or practice at variance with the terms of this Sublease, shall constitute a waiver by either Party of the right to demand strict and exact compliance with the terms and conditions of this Sublease.

(i) Notwithstanding the foregoing, no event of default shall be deemed to have occurred in respect of any BellSouth Entity under SECTION 31(A)(III) or in respect of TowerCo under SECTION 31(D)(III), if the other Party gives notice after one (1) year following:

(i) the applicable Site Commencement Date in the case of a representation or warranty made under this Sublease or the applicable Site Designation Supplement, as to any Site;

(ii) the date hereof, in the case of any other representation or warranty made under this Sublease; or

(iii) in the case of representation or warranty made under the Agreement to Sublease, as provided therein.

32. QUIET ENJOYMENT. TowerCo shall, subject to the terms and conditions of this Sublease, peaceably and quietly hold and enjoy the Subleased Property of each Site during the Term without hindrance or interruption from any BellSouth Entity, so long as TowerCo fully and completely keeps, observes, performs, satisfies and complies with all of the agreements, terms, covenants and conditions, requirements, provisions and restrictions of this Sublease to be kept, observed, performed, satisfied and complied with by TowerCo and pays all Rent and other amounts required to be paid by TowerCo under this Sublease and any other agreements between such BellSouth Entity and TowerCo.

33. NO MERGER. There shall be no merger of this Sublease or the subleasehold interest or estate created by this Sublease in any Site with the superior estate held by the Lessor thereof, by reason of the fact that the same person or entity may acquire, own or hold, directly or indirectly, both the subleasehold interest or estate created by this Sublease in any Site and such superior estate; and this Sublease shall not be terminated, in whole or as to any Site, except as expressly provided herein.

34. BROKER AND COMMISSION.

(a) All negotiations in connection with this Sublease have been conducted by and between TowerCo and BSPCI without the intervention of any person or other Party as agent or broker.

(b) TowerCo and BSPCI warrant and represent to each other that there are no broker's commissions or fees payable in connection with this Sublease by reason of their respective dealings, negotiations or communications. TowerCo and BSPCI shall, and do hereby indemnify, defend and hold harmless each other from and against the Claims, demands, actions and judgments of any and all brokers, agents and other intermediaries alleging a commission, fee or other payment to be owing by reason of their respective dealings, negotiations or communications in connection with this Sublease.

35. RECORDING OF SITE DESIGNATION SUPPLEMENT. Subject to the applicable provisions of the Agreement to Sublease, upon the execution of this Sublease, TowerCo shall, at its cost and expense (i) cause the Ground Leases or memorandum of Ground Leases for the Sites to be filed in the appropriate County property records, unless such Ground Leases expressly prohibit such recording; and (ii) promptly following the execution of each Site Designation Supplement for any Site, cause such Site Designation Supplement to be filed in the appropriate County property records.

(b) In addition to and not in limitation of any other provision of this Sublease, the Parties shall have the right to review and make corrections, if necessary, to any and all exhibits to the Site Designation Supplements after the date hereof. After making such corrections, TowerCo shall re-record any such Site Designation Supplements to reflect such corrections, if requested by BSPCI or its Affiliate. The Parties shall cooperate with each other to cause changes to be made in the documentation for any Site, and in the Site Designation Supplement for such Site, if such changes are requested by BSPCI or its Affiliate to evidence any permitted changes in the description of the Reserved Space respecting such Site, including, without limitation changes in BSPCI's or its Affiliate's antennas or other parts of its Communications Facility at such Site. In addition to and not in limitation of the foregoing, BSPCI or its Affiliate shall have the right, at its sole expense, to cause any amendment to a Site Designation Supplement to be recorded, including without limitation in connection with such changes.

36. COMPLIANCE WITH SPECIFIC FCC REGULATIONS.

(a) TowerCo understands and acknowledges that Space Subtenants are engaged in the business of operating communications equipment, including, without limitation, Communications Equipment at each Site. The Communications Equipment is subject to the regulations of the FCC, including without limitation regulations regarding exposure by workers and members of the public to the radio frequency emissions generated by any BellSouth Entity's Communications Equipment. TowerCo acknowledges that such regulations prescribe the permissible exposure levels to emissions from the Communications Equipment which can

generally be met by maintaining safe distances from such Communications Equipment. In order to comply with such regulations, TowerCo shall install, or cause the Space Subtenants to install, at its or their expense, such marking, signage or barriers to restrict access to any Subleased Property of each Site as TowerCo deems necessary in order to comply with the applicable FCC regulations. TowerCo further agrees to post, or to cause the Space Subtenants to post, prominent signage at all points of entry to the Subleased Property of each Site containing instructions as to any potential risk of exposure and methods for minimizing such risk. TowerCo shall cooperate in good faith with each BellSouth Entity to minimize any confusion or unnecessary duplication that could result in similar signage being posted with respect to any of such BellSouth Entity's transmission equipment at or near any Site in respect of any Reserved Space on such Site.

(b) TowerCo further agrees to alert all personnel working at or near each Site, including TowerCo's maintenance and inspection personnel, to heed all of TowerCo's or Space Subtenant's signage or restrictions with respect to the Subleased Property of a Site, to maintain the prescribed distance from the Communications Equipment, and to otherwise follow the posted instructions. TowerCo further agrees to alert each Space Subtenant in advance of any repair or maintenance work to be performance on any Site which would require work in closer proximity to the Subleased Property than prescribed by the signage or restrictions.

(c) TowerCo agrees to cooperate with each Space Subtenant on a going-forward basis with respect to each Site in order to insure that such Space Subtenant complies with the applicable FCC regulations.

(d) Each BellSouth Entity acknowledges and agrees that its Communications Equipment at each Site is subject to the regulations of the FCC, including without limitation regulations regarding exposure by workers and members of the public to the radio frequency emissions generated by such BellSouth Entity's Communications Equipment. Each BellSouth Entity acknowledges that such regulations prescribe the permissible exposure levels to emissions from its Communications Equipment which can generally be met by maintaining safe distances from such Communications Equipment. Each BellSouth Entity shall cooperate in good faith with TowerCo to minimize any confusion or unnecessary duplication that could result in similar signage being posted with respect to any of transmission equipment of any BellSouth Entity at or near any Site in respect of any Reserved Space on such Site.

(e) Each BellSouth Entity further agrees to alert all personnel working at or near each Site, including such BellSouth Entity's maintenance and inspection personnel, to maintain the prescribed distance from the Communications Equipment, and to otherwise follow the posted instructions of TowerCo.

37. CCIC'S GUARANTY.

(a) CCIC unconditionally guarantees to each BellSouth Entity the full and timely payment and performance and observance of all of the terms, provisions, covenants and obligations of TowerCo under this Sublease and each Site Designation Supplement (the "OBLIGATIONS"). CCIC agrees that if TowerCo defaults at any time during the Term of this

Sublease and any Site Designation Supplement in the performance of any of the Obligations, CCIC shall faithfully perform and fulfill all Obligations and shall pay to each BellSouth Entity all attorneys' fees, court costs, and other expenses, costs and disbursements incurred by such BellSouth Entity on account of any default by TowerCo and on account of the enforcement of this guaranty.

(b) If TowerCo defaults under this Sublease or any Site Designation Supplement, and any BellSouth Entity elects to enforce the provisions of this SECTION 37, such BellSouth Entity shall promptly give CCIC written notice thereof, which notice shall constitute an exercise of such BellSouth Entity's rights against CCIC pursuant to this SECTION 37. Following the receipt of such notice by CCIC, CCIC shall have the same period of time as is afforded to TowerCo under this Sublease or the applicable Site Designation Supplement to cure such default, but no such cure period shall diminish the obligations of CCIC under this SECTION 37.

(c) This guaranty obligation of CCIC shall be enforceable by any BellSouth Entity in an action against CCIC without the necessity of any suit, action, or proceedings by such BellSouth Entity of any kind or nature whatsoever against TowerCo, without the necessity of any notice to CCIC of TowerCo's default or breach under this Sublease or the applicable Site Designation Supplement, and without the necessity of any other notice or demand to CCIC to which CCIC might otherwise be entitled, all of which notices CCIC hereby expressly waives. CCIC hereby agrees that the validity of this guaranty and the obligations of CCIC hereunder shall not be terminated, affected, diminished, or impaired by reason of the assertion or the failure to assert by such BellSouth Entity against TowerCo any of the rights or remedies reserved to such BellSouth Entity pursuant to the provisions of this Sublease or the applicable Site Designation Supplement or any other remedy or right which such BellSouth Entity may have at law or in equity or otherwise.

(d) CCIC covenants and agrees that this guaranty is an absolute, unconditional, irrevocable and continuing guaranty. The liability of CCIC hereunder shall not be affected, modified, or diminished by reason of any assignment, renewal, modification or extension of this Sublease and any Site Designation Supplement or any modification or waiver of or change in any of the covenants and terms of this Sublease or any Site Designation Supplement by agreement of any BellSouth Entity and TowerCo, or by any unilateral action of either such BellSouth Entity or TowerCo, or by an extension of time that may be granted by such BellSouth Entity to TowerCo or any indulgence of any kind granted to TowerCo, or any dealings or transactions occurring between such BellSouth Entity and TowerCo, including, without limitation, any adjustment, compromise, settlement, accord and satisfaction, or release, or any bankruptcy, insolvency, reorganization, arrangement, assignment for the benefit of creditors, receivership, or trusteeship affecting TowerCo. CCIC does hereby expressly waive any suretyship defense it may have by virtue of any statute, law, or ordinance of any state or other governmental authority.

(e) All of each BellSouth Entity's rights and remedies under this guaranty are intended to be distinct, separate, and cumulative and no such right and remedy herein is intended to be the exclusion of or a waiver of any other.

(f) CCIC hereby waives presentment, demand for performance, notice of nonperformance, protest, notice of protest, notice of dishonor, and notice of acceptance. CCIC further waives any right to require that an action be brought against TowerCo or any other person or to require that resort be had by a BellSouth Entity to any security held by such BellSouth Entity.

38. SEVERAL LIABILITY.

Notwithstanding any other provision of this Sublease, the Agreement to Sublease, the Construction Agreement or any other agreement to the contrary, and notwithstanding any liability or obligation that BSPCI would have as a general partner of the Carolinas Partnership under this Sublease or any other agreement (in each case, whether or not expressly set forth herein or thereon), by operation of law or otherwise, (i) BSPCI will have no personal liability for the payment or performance of any obligation of the Carolinas Partnership under this Sublease or any other agreement (the "CAROLINAS PARTNERSHIP OBLIGATIONS"), and (ii) CCIC and TowerCo may proceed only against, and rely solely on, the Carolinas Partnership for payment or performance of any of the Carolinas Partnership Obligations, and shall not sue or otherwise proceed against BSPCI, for or in respect of the Carolinas Partnership's failure to pay or perform any Carolinas Partnership Obligation.

39. GENERAL PROVISIONS.

(a) NOTICES. Whenever any notice, demand or request is required or permitted under this Agreement, such notice, demand or request shall be in writing and shall be delivered by hand, be sent by registered or certified mail, postage prepaid, return receipt requested, or be sent by nationally recognized commercial courier for next business day delivery, to the addresses set forth below, or to such other addresses as are specified by written notice given in accordance herewith, or shall be transmitted by facsimile to the number for each Party set forth below their respective executions hereof, or to such other numbers as are specified by written notice given in accordance herewith. All notices, demands or requests delivered by hand shall be deemed given upon the date so delivered; those given by mailing as hereinabove provided shall be deemed given on the date of deposit in the United States Mail; those given by commercial courier as hereinabove provided shall be deemed given on the date of deposit with the commercial courier; and those given by facsimile shall be deemed given on the date of facsimile transmittal. Nonetheless, the time period, if any, in which a response to any notice, demand or request must be given shall commence to run from the date of receipt of the notice, demand or request by the addressee thereof. Any notice, demand or request not received because of changed address or facsimile number of which no notice was given as hereinabove provided or because of refusal to accept delivery shall be deemed received by the Party to whom addressed on the date of hand delivery, on the date of facsimile transmittal, on the first calendar day after deposit with commercial courier, or on the third calendar day following deposit in the United States Mail, as the case may be.

If to TowerCo:

Crown Castle South Inc.
375 Southpointe Blvd.
Cannonsburg, PA 15317
Facsimile No.: (724) 416-2468
Attention: General Counsel

with a copy to:

Sittig, Cortese & Wratcher
1515 Frick Building
Pittsburgh, PA 15219
Facsimile No.: (412) 402-4011
Attention: William R. Sittig, Jr.

If to BSPCI or the Carolinas Partnership

BellSouth Personal Communications, Inc.
1100 Peachtree Street, NE
Atlanta, GA 30367
Facsimile No.: (404) 249-0922/5020
Attention.: General Counsel

with a copy to:

BellSouth Entity Corporation.
1155 Peachtree Street, NE, 18th Floor
Atlanta, GA 30309
Facsimile No.: (404) 249-2629
Attention: E. John Whelchel, Esq.

If to CCIC:

Crown Castle International Corp.
510 Bering Drive, Suite 500
Houston, Texas 77057
Facsimile No.: 713-570-3150
Attention: Chief Executive Officer
General Counsel

with a copy to:

Cravath, Swaine & Moore
825 Eighth Avenue, Worldwide Plaza
New York, New York 10019-7475
Facsimile No.: (212) 474-3700
Attention: Stephen L. Burns

(b) FACSIMILE AS WRITING. The Parties expressly acknowledge and agree that, notwithstanding any statutory or decisional law to the contrary, the printed product of a facsimile transmittal shall be deemed to be "written" and a "writing" for all purposes of this Sublease.

(c) BINDING EFFECT. This Sublease shall be binding upon and enforceable against, and shall inure to the benefit of, the Parties hereto and their respective heirs, legal representatives, successors and permitted assigns.

(d) HEADINGS. The use of headings, captions and numbers in this Sublease is solely for the convenience of identifying and indexing the various provisions in this Sublease and

shall in no event be considered otherwise in construing or interpreting any provision in this Sublease.

(e) ARBITRATION. (i) Any and all disputes arising out of or in connection with the negotiation, execution, interpretation, performance or nonperformance of this Sublease (other than the payment of moneys) shall be solely and finally settled by arbitration which shall be conducted in Washington DC, in accordance with the Rules for Non-Administered Arbitration of Business Disputes (the "RULES") as promulgated from time to time by the CPR Institute for Dispute Resolution in New York, New York (the "CPR"), by a panel of three arbitrators selected by the CPR in accordance with the Rules (the "ARBITRATORS"). The Arbitrators shall be lawyers experienced in real estate and corporate transactions in the tower industry and shall not have been employed by or affiliated with any of the Parties or their Affiliates. The Parties hereby renounce all recourse to litigation and agree that the award of the Arbitrators shall be final and subject to no judicial review; provided however, that neither the provisions of this SECTION 38(E) nor the recourse to arbitration, shall prejudice the right of any Party to apply to any court of ordinary jurisdiction for the request of temporary or permanent injunctive or similar judicial relief. A written transcript shall be kept of all proceedings. The Arbitrators shall decide the issues submitted to them, in writing, stating the reasons for their decision, in accordance with: (A) the provisions and purposes of this Sublease; and (B) the laws of the State of Georgia (without regard to its conflicts of laws rules).

(ii) The parties agree to facilitate the arbitration by: (A) making available to one another and to the Arbitrators for examination, inspection and extraction all documents, books, records and personnel under their control if determined by the Arbitrators to be relevant to the dispute; (B) conducting arbitration hearings to the greatest extent possible on successive days; and (C) observing strictly the time periods established by the Rules or by the Arbitrators for submission of evidence or briefs.

(iii) Judgment on the award of the Arbitrators may be entered in any court having jurisdiction over the Party against which enforcement of the award is being sought. The Arbitrators are expressly authorized to enter orders of interim or provisional relief each of which may be enforced as a final award. The Arbitrators shall divide all costs (other than fees of counsel) incurred in conducting the arbitration in their final award in accordance with what they deem just and equitable under the circumstances.

(f) EXHIBITS. Each and every exhibit referred to or otherwise mentioned in this Sublease is attached to this Sublease and is and shall be construed to be made a part of this Sublease by such reference or other mention at each point at which such reference or other mention occurs, in the same manner and with the same effect as if each exhibit were set forth in full and at length every time it is referred to or otherwise mentioned.

(g) DEFINED TERMS. Capitalized terms used in this Sublease shall have the meanings ascribed to them at the point where first defined, irrespective of where their use occurs, with the same effect as if the definitions of such terms were set forth in full and at length every time such terms are used.

(h) PRONOUNS. Wherever appropriate in this Sublease, personal pronouns shall be deemed to include the other genders and the singular to include the plural.

(i) SEVERABILITY. If any term, covenant, condition or provision of this Sublease, or the application thereof to any person or circumstance, shall ever be held to be invalid or unenforceable, then in each such event the remainder of this Sublease or the application of such term, covenant, condition or provision to any other person or any other circumstance (other than those as to which it shall be invalid or unenforceable) shall not be thereby affected, and each term, covenant, condition and provision hereof shall remain valid and enforceable to the fullest extent permitted by law.

(j) NON-WAIVER. Failure by any Party to complain of any action, non-action or breach of any other Party shall not constitute a waiver of any aggrieved Party's rights hereunder. Waiver by any Party of any right arising from any breach of any other Party shall not constitute a waiver of any other right arising from a subsequent breach of the same obligation or for any other default, past, present or future.

(k) RIGHTS CUMULATIVE. All rights, remedies, powers and privileges conferred under this Sublease on the Parties shall be cumulative of and in addition to, but not restrictive of or in lieu of, those conferred by law.

(l) TIME OF ESSENCE. Time is of the essence of this Sublease. Anywhere a day certain is stated for payment or for performance of any obligation, the day certain so stated enters into and becomes a part of the consideration for this Sublease. If any date set forth in this Sublease shall fall on, or any time period set forth in this Sublease shall expire on, a day which is a Saturday, Sunday or federal holiday, such date shall automatically be extended to, and the expiration of such time period shall automatically to be extended to, the next day which is not a Saturday, Sunday, federal or state holiday or other non-business day. The final day of any time period under this Sublease or any deadline under this Sublease shall be the specified day or date, and shall include the period of time through and including such specified day or date.

(m) APPLICABLE LAW. This Sublease shall be governed by, construed under and interpreted and enforced in accordance with the laws of the State of Georgia, without regard of conflicts of law.

(n) ENTIRE AGREEMENT. This Sublease contains the entire agreement of the Parties with respect to the subject matter hereof, and all representations, warranties, inducements, promises or agreements, oral or otherwise, between the Parties not embodied in this Sublease shall be of no force or effect.

(o) MODIFICATIONS. This Sublease shall not be modified or amended in any respect except by a written agreement executed by the Parties in the same manner as this Sublease is executed.

(p) COUNTERPARTS. This Sublease may be executed in several counterparts, each of which shall be deemed an original, and all of such counterparts together shall constitute one and the same instrument.

(q) ATTORNEYS' FEES. In the event of any litigation arising under or in connection with this Sublease, the prevailing Party shall be entitled to recover from the other Party the expenses of litigation (including reasonable attorneys' fees, expenses and disbursements) incurred by the prevailing Party.

(r) AUTHORITY. Each Party hereto warrants and represents that such Party has full and complete authority to enter into this Sublease and each individual executing this Sublease on behalf of a Party warrants and represents that he has been fully authorized to execute this Sublease on behalf of such Party and that such Party is bound by the signature of such representative.

(s) 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 Sublease and has had ample opportunity to read, review, and understand the provisions of this Sublease.

(u) NO CONSTRUCTION AGAINST PREPARER. No provision of this Sublease 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.

[SIGNATURES APPEAR ON FOLLOWING PAGES]

IN WITNESS WHEREOF, the Parties have caused this Sublease to be executed and sealed by their duly authorized representatives, all effective as of the day and year first written above.

TOWERCO:

CROWN CASTLE SOUTH INC.

By:

Name:
Title:

CCIC:

CROWN CASTLE INTERNATIONAL CORP.

By:

Name:
Title:

BSPCI:

BELLSOUTH PERSONAL COMMUNICATIONS, INC.

By: ---

Name:

Title:

THE CAROLINAS PARTNERSHIP:

BellSouth Carolinas PCS, L.P., by BellSouth Personal Communications, Inc., its general partner

By: ---

Name:

Title:

EXHIBIT 2.11

CROWN CASTLE GT HOLDING COMPANY LLC

OPERATING AGREEMENT

THIS OPERATING AGREEMENT (this "Operating Agreement") is made and entered into as of January 31, 2000 (the "Effective Date") by and between the Thrasher Members (as defined below) and Crown Castle GT Corp. ("Bidder Member"), a Delaware corporation and a wholly-owned indirect subsidiary of Crown Castle International Corp. ("Bidder"), a Delaware corporation. The Thrasher Members and Bidder Member (and such other persons who shall be admitted in the future in accordance with the terms hereof and shall have agreed to be bound hereby), being hereinafter sometimes referred to individually as a "Member" and collectively as the "Members."

WHEREAS, GTE Wireless Incorporated, a Delaware corporation ("Thrasher"), the Transferring Partnerships and the Transferring Corporations (together the "Transferring Entities"), Bidder, and Bidder Member have entered into a Formation Agreement dated as of November 7, 1999 (the "Formation Agreement"), pursuant to which, among other things, (i) the Initial Transferring Entities will contribute Thrasher Contributed Assets and Thrasher Assumed Liabilities (both as defined in the Formation Agreement) to Crown Castle GT Holding Company LLC, a Delaware limited liability company ("HoldCo" or the "Company") in exchange for membership interests in HoldCo and Bidder Member will make capital contributions in accordance with the Formation Agreement in exchange for membership interests in HoldCo; (ii) thereafter HoldCo will cause such Thrasher Contributed Assets, Thrasher Assumed Liabilities and any Working Capital Contribution to be contributed to Crown Castle GT Holding Sub LLC, a Delaware limited liability company ("HoldCo Sub") in exchange for 100% of the membership interests in HoldCo Sub; (iii) HoldCo Sub will cause such Thrasher Contributed Assets, Thrasher Contributed Liabilities and any Working Capital Contribution to be contributed to Crown Castle GT Company LLC, a Delaware limited liability company ("OpCo"), in exchange for a 99.999% membership interest in OpCo; (iv) simultaneously with the actions described in (iii), the Thrasher Affiliate Member will contribute $9,300 in exchange for the Thrasher Retained Interest; and (v) on future dates certain Transferring Entities will make additional transfers of Thrasher Contributed Assets, Thrasher Assumed Liabilities, and Bidder Member will make additional capital contributions according to the Formation Agreement, to HoldCo in exchange for additional membership interests in HoldCo; HoldCo will cause Thrasher Contributed Assets, Thrasher Assumed Liabilities and any Working Capital Contribution to be contributed to HoldCo Sub as additional contributions to capital; and HoldCo Sub will cause such additional Thrasher Contributed Assets, Thrasher Assumed Liabilities and any Working Capital Contribution to be contributed to OpCo as additional capital contributions. Such transfers of Thrasher Contributed Assets and Thrasher Assumed Liabilities are to be effected for convenience purposes as a transfer by these Transferring Entities of legal title to the Thrasher Contributed Assets and Thrasher Assumed Liabilities directly to OpCo.

WHEREAS, each Transferring Partnership will transfer its respective interest in the Company received to a corporation that is a Thrasher Affiliate immediately following the formation of the Company, which Thrasher Affiliates shall become members, and each Transferring Partnership that receives an interest in the Company in each subsequent Closing will transfer its respective interest in the Company received in each subsequent Closing, as described in (iv) in the paragraph above, to a Thrasher Affiliate immediately after receiving its respective interest in the Company at each such subsequent Closing;

WHEREAS, for federal income tax purposes it is intended that the Transactions qualify in part as a sale and in part as a contribution of the Thrasher Contributed Assets to the Company;

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE I

GENERAL PROVISIONS

Section 1.1 Certain Definitions. As used in this Agreement, the following terms have the respective meanings assigned to them below. All terms not defined herein shall have the meaning given to them in the Formation Agreement.

"Adjusted Thrasher HoldCo Interest" means the Thrasher Interest Value, excluding the Permitted Shares Value for any Bidder Contributed Shares held by the Company, divided by Total Entity Value.

"Affiliates" means, with respect to any Person, any Persons controlling, controlled by or under common control with that Person, as well as any executive officers, directors and majority-owned entities of that Person or its other Affiliates.

"Bell Atlantic" means Bell Atlantic Corporation, a Delaware corporation.

"Bell Atlantic/Thrasher Merger" means those transactions contemplated by that certain Agreement and Plan of Merger by and among Bell Atlantic, Beta Gamma Corporation and GTE Corporation, dated as of July 27, 1998, as may be amended from time to time.

"Bidder" is defined in the Preamble.

"Bidder Common Stock" shall mean the common stock, $.01 par value, of Bidder.

"Bidder Contributed Cash" is defined in Section 2A.9 of the Formation Agreement.

"Bidder Contributed Shares" shall mean those shares of Bidder Common Stock, if any, contributed to the Company by Bidder Member pursuant to Section 2A.9 of the Formation Agreement, and including all changes in the Bidder Contributed Shares by reason of dividends payable in stock of Bidder, distributions, issuances of stock, stock splits, recapitalizations, reorganizations, mergers, consolidations, combinations, exchanges or other similar changes with regard to Bidder Common Stock occurring following the Effective Date, and together with all cash, securities (and rights and interests therein) and other property received or distributed.

"Bidder HoldCo Interest" is defined in Section 2.1 of the Formation Agreement.

"Bidder HoldCo Interest Purchaser" is defined in Section 8.5.

"Bidder Member" is defined in the Preamble.

"Bidder Offer" is defined in Section 8.3.

"Bidder Services Agreement" is defined in Section 3.5 of the Formation Agreement.

"Build-to-Suit Agreement" is defined in Section 3.5 of the Formation Agreement.

"Business Plan" is defined in Section 10.3.

"Capital Contribution" is defined in Section 6.1.

"Closing" (and "Closings") are defined in Section 4.1 of the Formation Agreement.

"Contributed Cash Distribution" is defined in Section 2.6 of the Formation Agreement.

"CPI" means the Consumer Price Index for All Urban Consumers, U.S. City Average, for All Items (1982-1984 = 100), as published by the Bureau of Labor Statistics of the U.S. Department of Labor, and any successor index. If the CPI is discontinued and there is no successor index, Thrasher shall in good faith select a comparable index to replace the CPI and the index selected by Thrasher shall be subject to Bidder's approval, which approval-shall not be unreasonably withheld or delayed.

"Effective Date" is defined in the Preamble.

"Encumbrance" means any lien, mortgage, security interest, pledge, restriction on transferability, defect of title, option or other claim, charge or encumbrance of any nature whatsoever on any property or property interest.

"Exchange Act" is defined in Section 10.4(a).

"Excess Cash Distribution" is defined in Section 8.1.11 of the Formation Agreement."

"Fair Market Value" is defined in Section 9.5(b).

"Final Closing" means the final Closing to occur under the Formation Agreement.

"Formation Agreement" is defined in the Preamble.

"GAAP" is defined in Section 3.8(e).

"Global Lease Agreement" is defined in Section 3.4 of the Formation Agreement.

"Governmental Authority" means any federal, state, territorial, county, municipal, local or other government or governmental agency or body or any other type of regulatory body, whether domestic or foreign, including without limitation the Federal Communications Commission, or any successor Governmental Authority and the Federal Aviation Administration, or any successor Governmental Authority.

"HoldCo" is defined in the Preamble.

"HoldCo Sub" is defined in the Preamble.

"HoldCo Sub Operating Agreement" shall mean the Operating Agreement forming HoldCo Sub entered into as of January 31, 2000 by HoldCo.

"Incurred Debt" is defined in Section 2A.9(b) of the Formation Agreement.

"Initial Closing" means the first Closing to occur under the Formation Agreement.

"Initial Closing Date" means the date of the Initial Closing.

"Initial Transferring Entities" means those Transferring Entities participating in the Initial Closing.

"Lender" shall mean collectively the financial institutions from which HoldCo Sub borrows the Incurred Debt, if any.

"Management Agreement" is defined in Section 2.4 of the Formation Agreement.

"Managers" is defined in Section 1.2.

"Members" is defined in the Preamble.

"Membership Interest" is defined in Section 6.1.

"OpCo" is defined in the Preamble.

"OpCo Towers" is defined in Section 10.3.

"Percentage Interest" is defined in Section 6.1.

"Permitted HoldCo Capital Contribution" is defined in Section 2.2(c) of the Formation Agreement."

"Person" means any natural person or entity.

"Solvent" is defined in Section 3.8(c).

"Taxes" means all taxes, duties, charges, fees, levies or other assessments imposed by any taxing authority, whether domestic or foreign, including, without limitation, income (net, gross or other including recapture of any tax items such as investment tax credits), alternative or add-on minimum tax, capital gains, gross receipts, value-added, excise, withholding, personal property, real estate, sale, use, ad valorem, license, lease, service, severance, stamp, transfer, payroll, employment, customs, duties, alternative, add-on minimum, estimated and franchise taxes (including any interest, levies, charges, penalties or additions attributable to or imposed on or with respect to any such assessment).

"Thrasher" means GTE Wireless Incorporated.

"Thrasher Affiliate Member" means GTE Wireless of Houston Incorporated.

"Thrasher HoldCo Interest" is defined in Section 2.2 of the Formation Agreement.

"Thrasher HoldCo Interest Purchaser" is defined in Section 8.5.

"Thrasher Interest Value" is defined in Section 2.2 of the Formation Agreement.

"Thrasher Member" means a corporation directly or indirectly owned by Thrasher and identified on Schedule A, as amended from time to time.

"Thrasher Offer" is defined in Section 8.4.

"Thrasher Parent" is GTE Corporation or any successor thereto.

"Thrasher Retained Interest" shall mean the .001 Percentage Interest in OpCo held by a Thrasher Affiliate Member.

"Total Entity Value" is defined in Section 2.2 of the Formation Agreement.

"Transaction Documents" means, collectively, the Formation Agreement, the Global Lease, the Build-to-Suit Agreement, the Bidder Services Agreement, the Management Agreement and each of the other documents and agreements listed in Section 4.2 and 4.3 of the Formation Agreement.

"Transferring Corporations" is defined in Article 1 of the Formation Agreement.

"Transferring Entities" means the Transferring Partnerships and the Transferring Corporations. The Transferring Entities are referred to individually herein as a "Transferring Entity."

"Transferring Partnerships" is defined in Article 1 of the Formation Agreement.

"Working Capital Contribution" is defined in Section 2A.9(b) of the Formation Agreement.

Section 1.2 FORMATION. Upon the filing of the Certificate of Formation (the "Certificate") with the Secretary of State of the State of Delaware, the Initial Transferring Entities and Bidder Member have formed Crown Castle GT Holding Company LLC, a limited liability company, pursuant to the Delaware Limited Liability Company Act of 1992, as amended from time to time (the "Act"), for the purposes hereinafter set forth. Each of the Transferring Partnerships that initially received an interest in the Company, after the filing of the Certificate and prior to the execution and delivery of this Agreement, transferred all of its respective interests in the Company to a Thrasher Member. The Company was formed as a limited liability company managed by its managers (the "Managers") who are identified on Schedule C under the supervision of the Board of Representatives (as defined in Section 1.10) and the laws of the State of Delaware, upon the terms and conditions hereinafter set forth. The Members intend that the Company shall be taxed as a partnership for federal, state and local income tax purposes. Promptly following the execution hereof, the Members shall execute or cause to be executed all other necessary certificates and documents, and shall make all such

filings and recordings, and shall do all other acts as may be necessary or appropriate from time to time to comply with all requirements for the formation, continued existence and operation of a limited liability company in the State of Delaware. This Operating Agreement is intended to serve as a "limited liability company agreement" as such term is defined in (S) 18-101(7) of the Act.

Section 1.3 COMPANY NAME AND ADDRESS. The Company shall do business under the name Crown Castle GT Holding Company LLC or such other name as the Board of Representatives may determine from time to time. The Board of Representatives shall promptly notify the Members of any change of name of the Company. The initial registered agent for the Company shall be CT Corporation System. The initial registered office of the Company in the State of Delaware shall be 1209 Orange Street, Wilmington, Delaware 19801. The registered office and the registered agent may be changed from time to time by action of the Board of Representatives by filing notice of such change with the Secretary of State of the State of Delaware. The Board of Representatives will promptly notify the Members of any change of the registered office or registered agent. The Company may also have offices at such other places within or outside of the State of Delaware as the Board of Representatives may from time to time determine.

Section 1.4 TERM. The Company shall commence operating as of the date the Certificate is filed with the Secretary of the State of Delaware, and, shall have perpetual existence unless terminated or dissolved pursuant to Section 9.1 of this Operating Agreement.

Section 1.5 BUSINESS OF THE COMPANY. The purpose of the Company is to (i) accept the Capital Contributions and further contribute such amounts other than the Bidder Contributed Cash (reduced by the Working Capital Contribution) and the Bidder Contributed Shares, if applicable, to HoldCo Sub, (ii) make the Contributed Cash Distributions and the Financing Distributions, if applicable, each as defined in the Formation Agreement and (iii) to own (A) one hundred percent (100%) of the percentage interests in HoldCo Sub and (B) the Bidder Contributed Shares, if applicable. Following completion of the transactions described in the Formation Agreement, the Company shall not engage in any line of business except for (i) the ownership of the membership interests in, and operation and management of, HoldCo Sub and any and all activities ancillary or related thereto, or (ii) the ownership of the Bidder Contributed Shares, if applicable. The Company shall possess and may exercise all the powers and privileges granted by the Act or by any other law, together with any powers incidental thereto, so far as such powers and privileges are necessary or convenient to the conduct, promotion or attainment of the business, purposes or activities of the Company.

Section 1.6 NAMES AND ADDRESSES OF THE MEMBERS. The names and addresses of the Members are set forth in Schedule A, as such shall be amended from time to time.

Section 1.7 PARTITION. No Member, nor any successor-in-interest to any Member, shall have the right, while this Operating Agreement remains in effect, to have the property of the Company partitioned, or to file a complaint or institute any proceeding at law or in equity to have the property of the Company partitioned, and each of the Members, on behalf of itself and its successors, representatives and assigns, hereby irrevocably waives any such right.

Section 1.8 FISCAL YEAR. The fiscal year of the Company shall begin on January 1 and end on December 31 of each calendar year.

Section 1.9 TITLE TO COMPANY PROPERTY All property owned by the Company, whether real or personal, tangible or intangible, shall be deemed to be owned by the Company, and no Member individually shall have any interest in such property. Title to all such property may be held in the name of the Company or a designee, which designee may be a Member or an entity affiliated with a Member.

Section 1.10 BOARD OF REPRESENTATIVES.

(a) General. A Board of Representatives (the "Board of Representatives") shall be established to oversee the Managers and review the Business Plan (as defined in Section 10.3). There shall be no less than five (5) Representatives, nor more than fifteen (15) Representatives, as may be determined from time to time by the Board of Representatives. Initially, there shall be six (6) Representatives. Each Member shall designate that number of Representatives determined by multiplying the total number of Representatives by that Member's Percentage Interest in the Company and rounding to the nearest whole number. If such calculation shall result in a greater number of Representatives than the total to be designated, then the Board of Representatives shall be expanded to the extent permitted by the second sentence of this Section 1.10(a) or if, despite such expansion, there would still be a greater number of Representatives than the total to be designated, the Members shall by vote determine a proportionate readjustment with each Member entitled to a number of votes equal to its Percentage Interest. Notwithstanding the foregoing, for so long as the Thrasher Members in the aggregate maintain ownership of at least a five percent (5%) Percentage Interest in the Company, the Thrasher Members shall have the right to designate from time to time a number of Representatives that is equal to the greater of (i) one (1) Representative or (ii) the number of Representatives (rounded to the nearest whole number) which is equal to the same percentage of all Representatives as the Percentage Interest in the Company held by the Thrasher Members in the aggregate. Initially, the Thrasher Members shall designate two (2) Representatives and Bidder Member shall designate four (4) Representatives.

(b) Representatives and Alternates Each Member shall also be entitled to designate one (1) alternate to each such Representative (each an "Alternate"). In the event a Representative is unable to attend a meeting of the Board of Representatives or otherwise participate in any action to be taken by the Board of Representatives, the Alternate associated with such Representative shall take such Representative's place for all purposes on the Board of Representatives. Each Member shall designate its

Representatives and the associated Alternates by written notice to the Company and each other Member. The initial Representatives and Alternates of each Member are set forth on Schedule B. The Representatives and Alternates shall at all times be executive officers or other full-time employees of either such Member or any affiliate of such Member. For so long as the Thrasher Members have the right to designate at least one (1) Representative, the Representatives and Alternates of the Company shall also serve as the Representatives and Alternates of HoldCo Sub and OpCo.

(c) Resignation. A Representative or Alternate of the Company may resign at any time by giving written notice to the Company or to the Member who designated such Representative or Alternate.

(d) Removal. Each Member may, at any time, replace any of its Representatives or Alternates with a new Representative or Alternate and, upon such change or upon the death or resignation of any Representative or Alternate, a successor shall be designated in writing by the Member that appointed the Representative or Alternate being replaced.

(e) Vacancies. Any vacancy with respect to any Representative or Alternate occurring for any reason may be filled by the Member who designated the Representative or Alternate who vacated or was removed from his or her position.

(f) Compensation. Without the approval of the Members, the Representatives or Alternates will not be entitled to compensation for their services as Representatives or Alternates. The Company shall, however, reimburse the Representatives and Alternates for their reasonable expenses incurred in connection with their services to the Company.

ARTICLE II

MEETINGS GENERALLY

Section 2.1 MANNER OF GIVING NOTICE.

(a) A notice of meeting shall specify the place, day and hour of the meeting and any other information required by any provision of the Act, the Certificate or this Operating Agreement.

(b) When a meeting at which there is a duly constituted quorum is adjourned, it shall not be necessary to give any notice of the adjourned meeting or of the business to be transacted at an adjourned meeting, other than by announcement at the meeting at which the adjournment is taken, unless the adjournment is for more than sixty (60) days in which event notice shall be given in accordance with Section 2.2 or Section 2.3, as applicable.

Section 2.2 NOTICE OF MEETINGS OF THE BOARD OF REPRESENTATIVES. Notice of every meeting of the Board of Representatives shall be given to each Representative by telephone or in writing at least 24 hours (in the case of notice by telephone, telex or facsimile transmission) or 48 hours (in the case of notice by telegraph, courier service or express mail) or five (5) days (in the case of notice by first class mail) before the time at which the meeting is to be held. Every such notice shall state the time and place of the meeting. Subject to the provisions of Sections 3.3 and 4.5, neither the business to be transacted at, nor the purpose of, any meeting of the Board of Representatives need be specified in a notice of the meeting.

Section 2.3 NOTICE OF MEETINGS OF MEMBERS. Written notice of every meeting of the Members shall be given to each Member of record entitled to vote at the meeting at least five (5) days prior to the day named for the meeting. If the Managers neglect or refuse to give notice of a meeting, the person or persons calling the meeting may do so.

Section 2.4 WAIVER OF NOTICE.

(a) Whenever any written notice is required to be given under the provisions of the Act, the Certificate or this Operating Agreement, a waiver thereof in writing, signed by the person or persons entitled to the notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of the notice. Neither the business to be transacted at, nor the purpose of, a meeting need be specified in the waiver of notice of the meeting.

(b) Attendance of a person at any meeting shall constitute a waiver of notice of the meeting except where a person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting was not lawfully called or convened.

Section 2.5 USE OF CONFERENCE TELEPHONE AND SIMILAR EQUIPMENT. Any Representative may participate in any meeting of the Board of Representatives, and any Member may participate in any meeting of the Members, by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this Section shall constitute presence in person at the meeting.

Section 2.6 CONSENT IN LIEU OF MEETING. Any action required or permitted to be taken at a meeting of the Board of Representatives or Members may be taken without a meeting if, prior or subsequent to the action, written consents describing the action to be taken are signed by the minimum number of Representatives or Members that would be necessary to authorize the action at a meeting at which all Representatives or Members entitled to vote thereon were present and voting; provided that, prior to any such written consent becoming effective, such written consent has been provided to all Representatives or Members entitled to vote, and the Representatives or Members shall have ten (10) days to review such consent prior to such written consent becoming effective (unless otherwise agreed to by all Representatives or their respective Alternates

or each Member, respectively). The consents shall be filed with the Managers. Prompt notice of the taking of the Company action without a meeting by less than unanimous written consent shall be given to those Members who have not consented in writing.

ARTICLE III

MANAGEMENT

Section 3.1 MANAGEMENT OF THE COMPANY GENERALLY. The business and affairs of the Company shall be managed by its Managers under the supervision of the Board of Representatives (a) in accordance with the provisions of this Operating Agreement and the Business Plans and the other resolutions and directives of the Board of Representatives adopted by the Board of Representatives and in effect from time to time, and (b) subject to the provisions of the Act, the Certificate and this Operating Agreement including, without limitation, the provisions of Section 3.8 hereof. Unless authorized to do so by this Operating Agreement or by the Board of Representatives or the Managers of the Company (provided that the Managers are authorized to grant such authority), no attorney-in-fact, employee, officer or agent of the Company other than the Managers shall have any power or authority to bind the Company in any way, to pledge its credit or to render it liable pecuniarily for any purpose. No Member shall have any power or authority to bind the Company unless the Member has been expressly authorized by the Board of Representatives to act as an agent of the Company. All Managers of the Company, as between themselves and the Company, shall have such authority and perform such duties in the management of the Company as may be provided by or pursuant to resolutions or orders of the Board of Representatives or in the Business Plan, or, in the absence of controlling provisions in the resolutions or orders of the Board of Representatives, as may be determined by or pursuant to this Operating Agreement. The Board of Representatives may confer upon any Manager such titles as the Board deems appropriate, including, but not limited to, President, Vice President, Secretary or Treasurer, and subject to the limitations set forth in Section 3.8 of this Operating Agreement, delegate specifically defined duties to the Managers. Notwithstanding the foregoing or any other provision of this Operating Agreement or of the Act to the contrary, no Manager of the Company shall have the power or authority to do or perform any act with respect to any of the matters set forth in Section 3.8 of this Operating Agreement unless such matter has been approved by the mutual consent of the Thrasher Members and Bidder Member in accordance with the provisions of this Operating Agreement.

Section 3.2 MEETINGS OF THE BOARD OF REPRESENTATIVES. Meetings of the Board of Representatives shall be held at such time and place within or without the State of Delaware as shall be designated from time to time by resolution of the Board of Representatives or by written notice of any Manager or by written notice of any Member; provided that meetings of the Board of Representatives shall be held no less than quarterly, on a date to be determined by the mutual consent of the Thrasher Members and Bidder Member. At each meeting of the Board of Representatives, the Managers shall (i) provide the Board of Representatives with a report on the financial condition and

operations of the Company, including, without limitation, a report on the results of operations compared to the then applicable Business Plan, (ii) disclose to the Board of Representatives any material event or contingency occurring since the previous meeting and (iii) disclose to the Board of Representatives all matters which would require disclosure to, or the approval of, the board of directors of a Delaware corporation. For so long as the Thrasher Members are entitled to designate at least one (1) Representative to the Board of Representatives of the Company, any meeting of the Board of Representatives of the Company shall also be deemed to be a meeting of the Boards of Representatives of HoldCo Sub and OpCo.

Section 3.3 QUORUM. The presence of at least one of the Representatives or Alternates designated by each of the Thrasher Members and Bidder Member shall be necessary to constitute a quorum for the transaction of business at a meeting of the Board of Representatives and the acts of a majority of the Representatives or Alternates present and voting at a meeting at which a quorum is present shall be the acts of the Representatives or Alternates; provided, however, that if notice of a meeting is provided to the Representatives and Alternates, and such notice describes the business to be considered, the actions to be taken and the matters to be voted on at the meeting in reasonable detail, and insufficient Representatives or Alternates attend the meeting to constitute a quorum, the meeting may be adjourned by those Representatives or Alternates attending such meeting for a period not to exceed twenty (20) days. Such meeting may be reconvened by providing notice of the reconvened meeting to the Representatives and Alternates no less than ten (10) days prior to the date of the meeting specifying that the business to be considered, the actions to be taken and the matters to be voted upon are those set forth in the notice of the original adjourned meeting. If, at the reconvened meeting, a quorum of Representatives or Alternates is not present, a majority of the Representatives and Alternates present and voting will constitute a quorum for purposes of the reconvened meeting; provided, however that such Representatives and Alternates may only consider the business, take the actions or vote upon the matters set forth in the notice of the original meeting. Notwithstanding the foregoing or any other provision in this Agreement, no Representative, Alternate or Manager shall have any power or authority to do or perform any act with respect to any of the matters set forth in Section 3.8 of this Operating Agreement unless such matter has been approved by the mutual consent of the Thrasher Members and Bidder Member in accordance with the provisions of this Operating Agreement.

Section 3.4 MANNER OF ACTION. Other than any action contemplated by Section 3.8, which shall require the mutual consent of Bidder Member and the Thrasher Members, whenever any Company action is to be taken by a vote of the Board of Representatives, it shall be authorized upon receiving the affirmative vote of a majority of the Representatives and Alternates present and voting at a duly constituted meeting at which a quorum is present.

Section 3.5 DESIGNATION OF MANAGERS. Bidder Member shall designate all Managers. The initial Managers are set forth on Schedule C. Bidder Member shall promptly give each Member notice of the designation of any new Manager.

Section 3.6 QUALIFICATIONS. Each Manager of the Company shall be a natural person of full age who need not be a resident of the State of Delaware.

Section 3.7 NUMBER, SELECTION AND TERM OF OFFICE.

(a) There shall be no less than 2 Managers, nor more than 10, as may be determined from time to time by the Board of Representatives. Initially, there shall be 3 Managers.

(b) Each Manager shall hold office until a successor has been selected and qualified or until his or her earlier death, resignation or removal.

Section 3.8 APPROVAL OF CERTAIN MATTERS BY THE MEMBERS. Notwithstanding any provision of this Operating Agreement or the Act to the contrary, the following matters require the mutual consent of the Thrasher Members and Bidder Member, given by their respective Representatives (acting as a group) at a meeting of the Board of Representatives or by written consent, or if the Thrasher Members have no Representatives, such consent shall be given by the Thrasher Members in their capacity as Members, and the Managers shall have no power or authority to do or perform any act with respect to any of the following matters without the mutual consent of the Thrasher Members and Bidder Member, given in accordance with the provisions of this Operating Agreement:

(a) Certain Contracts. The entering into any contract, agreement or arrangement (whether written or oral) by the Company, other than agreements and contracts in force as of the date hereof and renewals thereof, which (i) contains provisions restricting HoldCo or HoldCo Sub or any member thereof from competing in any business activity in any geographic area, (ii) contains provisions requiring HoldCo or HoldCo Sub or any member thereof to deal exclusively with any third party with respect to providing any goods, services or rights to or acquiring any goods or services or rights from such third party, (iii) contains provisions which are inconsistent with the obligations of HoldCo or HoldCo Sub under any of the Transaction Documents, or (iv) provides for the purchase or sale of goods, services or rights involving an amount in excess of $10,000,000 per year in any transaction or series of similar transactions.

(b) Conduct of Business. The engagement by the Company in any line of business other than (i) the ownership of the membership interests in HoldCo Sub, (ii) the ownership of the Bidder Contributed Shares, if applicable and (iii) the making of any Contributed Cash Distributions. The engagement by HoldCo Sub in any line of business other than performing its obligations under the Management Agreement and performing all business activities related thereto, and the holding of an interest in OpCo. The making by HoldCo Sub of any investment in, or the acquisition by HoldCo Sub of any equity securities of, any Person other than OpCo. The application of any money or other assets of HoldCo or HoldCo Sub for use in the business of any person other than HoldCo, HoldCo Sub or OpCo, including, without limitation, Bidder or any Bidder Affiliate

whether by loan, lease or other means. Causing the operation of the Tower Sites indirectly held or managed by HoldCo in a manner other than a manner that is no less favorable and no less competitive than the manner in which Bidder and Bidder Member conduct the tower operations of their other businesses.

(c) Solvency. The voluntary taking of any action by the Company or HoldCo Sub that would cause the Company, HoldCo Sub or OpCo to cease to be Solvent. As used herein, the term "Solvent" means that the aggregate present fair saleable value of the Company's (or HoldCo Sub's, as applicable) assets is in excess of the total cost of its probable liability on its existing debts to third parties as they become absolute and matured, the Company (or HoldCo Sub, as applicable) has not incurred debts beyond its foreseeable ability to pay such debts as they mature, and the Company (or HoldCo Sub, as applicable) has capital adequate to conduct the business in which it is presently employed. The taking of any action that would inhibit, prevent or give rise to any claim with respect to the making any Contributed Cash Distribution.

(d) Bankruptcy. The voluntary dissolution or liquidation of the Company or HoldCo Sub, the making by the Company or HoldCo Sub of a voluntary assignment for the benefit of creditors, the filing of a petition in bankruptcy by the Company or HoldCo Sub, the Company or HoldCo Sub petitioning or applying to any tribunal for any receiver or trustee, the Company or HoldCo Sub commencing any proceeding relating to itself under any bankruptcy, reorganization, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction, the Company or HoldCo Sub indicating its consent to, approval of or acquiescence in any such proceeding and failing to use their respective best efforts to have discharged the appointment of any receiver of or trustee for the Company or HoldCo Sub or any substantial part of their respective properties.

(e) Indebtedness. The direct or indirect modification, amendment or prepayment of the Incurred Debt, if any, by the Company or HoldCo Sub prior to the seventh (7th) anniversary of the last closing of the transactions contemplated by the Formation Agreement. Except with respect to Incurred Debt, if any, the Company directly or indirectly, creating, incurring, assuming, guaranteeing, or otherwise becoming or remaining directly or indirectly liable with respect to any Indebtedness. As used herein, "Indebtedness" means, at any time, (i) liabilities for borrowed money, (ii) liabilities for the deferred purchase price of property acquired by the Company (excluding accounts payable arising in the ordinary course of business but including all liabilities created or arising under any conditional sale or other title retention agreement with respect to any such property); (iii) all liabilities appearing on its balance sheet in accordance with generally accepted accounting principles consistently applied throughout the periods involved ("GAAP") in respect of capital leases; (iv) all liabilities for borrowed money secured by any Encumbrance with respect to any property owned by the Company (whether or not it has assumed or otherwise become liable for such liabilities); (v) all liabilities in respect of letters of credit or instruments serving a similar function issued or accepted for its account by banks and other financial institutions (whether or not

representing obligations for borrowed money); (vi) any guaranty of the Company with respect to liabilities of a type described in any of clauses (i) through (v) hereof.

(f) Liens. The Company, directly or indirectly, maintaining, creating, incurring, assuming or permitting to exist any Encumbrance (other than Encumbrances on the membership interests in HoldCo Sub granted to the Lender or to secure the Incurred Debt, if any), on or with respect to any property or asset (including any document or instrument in respect of goods or accounts receivable) of the Company, whether now owned or hereafter acquired, or any income or profits therefrom.

(g) Issuance of Interests. Except pursuant to a transfer permitted by Section 8.1 or Section 8.2, the authorization or issuance of any interests in, or the admission of any members to, the Company or HoldCo Sub, including, without limitation, the authorization or issuance of any additional interests in the Company to Thrasher or any Thrasher Member or Bidder Member beyond those interests authorized and issued in connection with the formation of the Company.

(h) Contingent Obligations. The Company, directly or indirectly, creating or becoming or being liable with respect to any Contingent Obligation.

As used herein, the term "Contingent Obligations" means any direct or indirect liability, contingent or otherwise (i) with respect to any indebtedness, lease, dividend or other obligation of another if the primary purpose or intent thereof is to provide assurance to the obligee of such obligation of another that such obligation of another will be paid or discharged, or that any agreements relating thereto will be complied with, or that the holders of such obligations will be protected (in whole or in part) against loss in respect thereof and (ii) with respect to any letter of credit. Contingent Obligations shall include with respect to the Company, without limitation, the direct or indirect guaranty, endorsement (otherwise than for the collection or deposit in the ordinary course of business), co-making, discounting with recourse or sale with recourse by the Company, the obligation to make take-or-pay or similar payments if required regardless of non-performance by any other party or parties to an agreement, and any liability of the Company for the obligations of another through any agreement (contingent or otherwise) (x) to purchase, repurchase or otherwise acquire such obligation or any security therefor, or to provide funds for the payment or discharge of such obligation (whether in the form of loans, advances, stock purchases, capital contributions or otherwise), and (y) to maintain the solvency or any balance sheet item, level of income or financial condition of another, if in the case of any agreement described under subclause (x) or (y) of this sentence, the primary purpose or intent thereof is as described in the preceding sentence.

(i) Preservation of Existence. Any action contrary to the preservation and maintenance of the Company's and HoldCo Sub's existence, rights, franchises and privileges as a limited liability company under the laws of the State of Delaware. Any action which would prevent the Company or HoldCo Sub from qualifying and remaining qualified as a foreign limited liability company in each jurisdiction in which such

qualification is necessary or desirable in view of its business and operations or the ownership or lease of its properties.

(j) Merger or Sale of Assets. Any merger or consolidation by the Company or HoldCo Sub with any Person. Any sale, assignment, lease or other disposition by the Company or HoldCo Sub of (whether in one transaction or in a series of transactions), or any voluntarily parting with the control of (whether in one transaction or in a series of transactions), a material portion of the Company's or HoldCo Sub's assets (whether now owned or hereinafter acquired), except in accordance with the provisions of any of the Transaction Documents, and except for sales or other dispositions of assets in the ordinary course of business. Any sale, assignment or other disposition of (whether in one transaction or in a series of transactions) any of the Company's or HoldCo Sub's accounts receivable (whether now in existence or hereinafter created) at a discount or with recourse, to any Person, except for sales or other dispositions of assets in the ordinary course of business.

(k) Dealings with Affiliates. Except pursuant to the Transaction Documents, the entering into by the Company or HoldCo Sub of any transaction with any Representative, Manager, officer or member of the Company, HoldCo Sub or OpCo, or any officer, director of Bidder or Bidder Member or holder of more than five percent (5%) of the outstanding common stock of Bidder, or any member of their respective immediate families or any corporation or other entity directly or indirectly controlled by one or more of such officers, directors or stockholders or members of their immediate families or any corporation or other entity directly or indirectly controlled by Bidder or Bidder Member, except in the ordinary course of business and on terms not less favorable to the Company or HoldCo Sub than it would reasonably expect to obtain in a transaction between unrelated parties.

(l) Dividends; Distributions. The declaration or payment by the Company or HoldCo Sub of any dividend, or making by the Company or HoldCo Sub of any distribution or return of capital, or the redemption by the Company or HoldCo Sub of any equity interest, or the making by the Company or HoldCo Sub of any similar payments or transfer of property to its Members (excluding payments for goods or services) in amounts in excess of those amounts which would otherwise be payable under the Management Agreement and then only to the extent that such amounts had not been paid pursuant to the Management Agreement.

(m) Method of Certain Calculations. The determination of any method to be used in calculating any of the payments to be made under the Management Agreement or the Bidder Services Agreement.

(n) Business Plan. The approval of the Business Plan as set forth in Section 10.3.

(o) Actions as Member of HoldCo Sub. The Company giving any consent, in its capacity as a member of HoldCo Sub, under Section 3.8 of the HoldCo Sub Operating Agreement.

(p) Voting of Bidder Contributed Shares held by the Company. The Company exercising any voting rights with respect to the Bidder Contributed Shares, if any, held by the Company, and in the absence of the mutual agreement of Thrasher and Bidder Member as to the exercise of such voting rights, the Bidder Contributed Shares shall be voted on each matter to be submitted to a vote of the stockholders of Bidder or and against such matter in the same proportion as the vote of all other shares entitled to vote thereon are voted (whether by proxy or otherwise) for and against such matter.

Whenever the mutual consent of the Thrasher Members and Bidder Member is required under either this Operating Agreement, the HoldCo Sub Operating Agreement or the OpCo Operating Agreement, the Managers shall only take action, vote the membership interests in HoldCo Sub or authorize the Managers of HoldCo Sub to vote the membership interest in OpCo in accordance with the direction of the Thrasher Members and Bidder Member as provided for in this Section 3.8.

Section 3.9 EXCULPATION. No Member, Manager, Representative, Alternate or officer shall be liable to the Company or to any Member for any losses, claims, damages or liabilities arising from, related to, or in connection with, this Operating Agreement or the business or affairs of the Company, except for any losses, claims, damages or liabilities as are determined by final judgment of a court of competent jurisdiction to have resulted from such Member, Manager, Representative, Alternate or officer's gross negligence or willful misconduct. To the extent that, at law or in equity, any Member, Manger, Representative, Alternate or officer has duties (including fiduciary duties) and liabilities relating thereto to the Company or to any Member, such Member, Manager, Representative, Alternate or officer acting in connection with this Operating Agreement or the business or affairs of the Company shall not be liable to the Company or to any Member, Manager, Representative, Alternate or officer for its good faith conduct in accordance with the provisions of this Agreement or any approval or authorization granted by the Company or any Member, Manager, Representative, Alternate or officer. The provisions of this Operating Agreement, to the extent that they restrict the duties and liabilities of any Member, Manager, Representative, Alternate or officer otherwise existing at law or in equity, are agreed by the Members to replace such other duties and liabilities of such Member, Manager, Representative, Alternate or officer.

Section 3.10 RELIANCE ON REPORTS AND INFORMATION BY MEMBER, REPRESENTATIVE. ALTERNATE OR MANAGER. A Member, Representative, Alternate or Manager of the Company shall be fully protected in relying in good faith upon the records of the Company and upon such information, opinions, reports or statements presented to the Company by any of its other Managers, Members, Representatives, Alternates, officers, employees or committees of the Company, or by any other person, as to matters the Member, Representative, Alternate or Manager reasonably believes are within such other person's professional or expert competence and who has been selected

with reasonable care by or on behalf of the Company, including information, opinions, reports or statements as to the value and amount of the assets, liabilities, profits or losses of the Company or any other facts pertinent to the existence and amount of assets from which distributions to Members might properly be paid.

Section 3.11 BANK ACCOUNTS. The Managers may from time to time open bank accounts in the name of the Company, and the Managers, or any of them, shall be the sole signatory or signatories thereon, unless the Managers determine otherwise.

Section 3.12 RESIGNATION. A Manager of the Company may resign at any time by giving written notice to the Company. The resignation of a Manager shall be effective upon receipt of such notice or at such later time as shall be specified in the notice. Unless otherwise specified in the notice, the acceptance of the resignation shall not be necessary to make such resignation effective.

Section 3.13 REMOVAL. Any individual Manager may be removed from office at any time, without assigning any cause, by Bidder Member.

Section 3.14 VACANCIES. Any vacancy with respect to a Manager occurring for any reason may be filled by Bidder Member.

Section 3.15 SALARIES. The salaries of the Managers shall be fixed from time to time by the Board of Representatives in accordance with the Business Plan or by such Manager as may be designated by resolution of the Board of Representatives. The salaries or other compensation of any other employees and other agents shall be fixed from time to time by the Board of Representatives or by such Manager as may be designated by resolution of the Board of Representatives.

ARTICLE IV

MEMBERS

Section 4.1 ADMISSION OF MEMBERS.

(a) A person acquiring an interest in the Company in connection with its formation shall be admitted as a Member of the Company upon the later to occur of the formation of the Company or when the admission of the person is reflected in the records of the Company.

(b) After the formation of the Company, a person acquiring an interest in the Company from the Company, is admitted as a Member upon the satisfaction of all requirements in Article VIII of this Operating Agreement.

Section 4.2 MEETINGS. Meetings of the Members, for any purpose or purposes, unless otherwise prescribed by statute, may be called by any Manager or by any Member.

Section 4.3 PLACE OF MEETING. The Managers or Members calling a meeting pursuant to Section 4.2 may designate any place as the place for any meeting of the Members. If no designation is made, the place of meeting shall be the principal office of the Company.

Section 4.4 RECORD DATE. For the purpose of determining Members entitled to notice of, or to vote at, any meeting of Members or any adjournment of the meeting, or Members entitled to receive payment of any distribution, or to make a determination of Members for any other purpose, the date on which notice of the meeting is mailed or the date on which the resolution declaring the distribution or relating to such other purpose is adopted, as the case may be, shall be the record date for the determination of Members. Only Members of record on the date fixed shall be so entitled notwithstanding any permitted transfer of a Member's Membership Interest after any record date fixed as provided in this Section. When a determination of Members entitled to vote at any meeting of Members has been made as provided in this section, the determination shall apply to any adjournment of the meeting.

Section 4.5 QUORUM. A meeting of Members of the Company duly called shall not be organized for the transaction of business unless a quorum is present. The presence of each Member, represented in person or by proxy, shall constitute a quorum at any meeting of Members, provided, however, that if notice of a meeting is provided to the Members, and such notice describes the business to be considered, the actions to be taken and the matters to be voted on at the meeting in reasonable detail, and insufficient Members attend the meeting to constitute a quorum, the meeting may be adjourned by those Members attending such meeting for a period not to exceed twenty (20) days. Such meeting may be reconvened by providing notice of the reconvened meeting to the Members no less than ten (10) days prior to the date of the meeting specifying that the business to be considered, the actions to be taken and the matters to be voted upon are those set forth in the notice of the original adjourned meeting. If, at the reconvened meeting, a quorum of Members is not present, a majority of the Members present and voting will constitute a quorum for purposes of the reconvened meeting; provided, however that such Members may only consider the business, take the actions or vote upon the matters set forth in the notice of the original meeting. The Members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal during the meeting of Members whose absence would cause less than a quorum.

Notwithstanding the foregoing or any other provision in this Agreement, no Member shall have any power or authority to do or perform any act with respect to any of the matters set forth in Section 3.8 of this Operating Agreement unless such matter has been approved by the mutual consent of Thrasher Members and Bidder Member in accordance with the provisions of this Operating Agreement.

Section 4.6 MANNER OF ACTING. Except as otherwise provided in the Act or the Certificate or this Operating Agreement, including, without limitation, Section 3.8 hereof, whenever any Company action is to be taken by vote of the Members of the Company, it

shall be authorized upon receiving the affirmative vote of Members entitled to vote who own a majority of the Percentage Interests then held by Members.

Section 4.7 VOTING RIGHTS OF MEMBERS. Unless otherwise provided in the Certificate, every Member of the Company shall be entitled to a percentage of the total votes equal to that Member's then current Percentage Interest.

Section 4.8 RELATIONSHIP OF MEMBERS. Except as otherwise expressly and specifically provided in or as authorized pursuant to the Certificate or this Operating Agreement, (a) in the event that any Member (or any of such Member's shareholders, partners, members, owners, or Affiliates (collectively, the "Liable Member")) has incurred any indebtedness or obligation prior to the date of this Agreement that relates to or otherwise affects the Company, neither the Company nor any other Member shall have any liability or responsibility for or with respect to such indebtedness or obligation unless such indebtedness or obligation is assumed by the Company pursuant to this Operating Agreement, the Formation Agreement or any of the other Transaction Documents, or a written instrument signed by all Members; (b) neither the Company nor any Member shall be responsible or liable for any indebtedness or obligation that is incurred after the date of this Agreement by any Liable Member, and in the event that a Liable Member, whether prior to or after the date hereof, incurs (or has incurred) any debt or obligation that neither the Company nor any of the other Members is to have any responsibility or liability for, the Liable Member shall indemnify and hold harmless the Company and the other Members from any liability or obligation they may incur in respect thereof; (c) nothing contained herein shall render any Member personally liable for any debts, obligations or liabilities incurred by the other Members or the Company whether arising in contract, tort or otherwise or for the acts or omissions of any other Member, Manager, agent or employee of the Company; (d) no Member shall be constituted an agent of the other Members or the Company; (e) nothing contained herein shall create any interest on the part of any Member in the business or other assets of the other Members; (f) nothing contained herein shall be deemed to restrict or limit in any way the carrying on (directly or indirectly) of separate businesses or activities by any Member now or in the future, even if such businesses or activities are competitive with the Company; and (g) no Member shall have any authority to act for, or to assume any obligation on behalf of, the other Members or the Company. No Member or any of its affiliates or any of their respective officers, directors, employees or former employees shall have any obligation, or be liable, to the Company or any other Member for or arising out of the conduct described in the preceding clause (f), for exercising, performing or observing or failing to exercise, perform or observe, any of its rights or obligations under the Formation Agreement or any other Transaction Document, for exercising or failing to exercise its rights as a Member or, solely by reason of such conduct, for breach of any fiduciary or other duty to the Company or any Member. In the event that a Member, any of its Affiliates or any of their respective officers, directors, employees or former employees acquires knowledge of a potential transaction, agreement, arrangement or other matter which may be a corporate opportunity for both the Member and the Company, neither the Member nor such Affiliate, officers, directors, employees or former employees shall have any duty to communicate or offer such corporate opportunity to the Company, and

neither the Member nor such Affiliate, officers, directors, employees or former employees shall be liable to the Company for breach of any fiduciary or other duty, as a member or otherwise, by reason of the fact that the Member or such Affiliate, officers, directors, employees or former employees pursue or acquire such corporate opportunity for the Member, direct such corporate opportunity to another person or entity or fail to communicate such corporate opportunity or information regarding such corporate opportunity to the Company.

Section 4.9 BUSINESS TRANSACTIONS OF MEMBER OR REPRESENTATIVE OR ALTERNATE WITH THE COMPANY. A Member or Representative or Alternate may lend money to, act as a surety, guarantor or endorser for, guarantee or assume one or more obligations of, provide collateral for, and transact any and all other business with the Company and, subject to other applicable law, has the same rights and obligations with respect to any such matter as a person who is not a Member or Representative or Alternate.

Section 4.10 ACTION OF THRASHER MEMBERS. Each of the Thrasher Members has appointed Thrasher to act on its behalf with respect to all matters requiring or permitting the action by or consent or approval of the Thrasher Members. The Company, Bidder, and Bidder Member may rely solely on direction from Thrasher with respect to all such matters and Thrasher shall act in the same manner with respect to all of the Thrasher Members. Notice in accordance with the terms of this Agreement to Thrasher of any matter with respect to the Company shall be considered notice to each Thrasher Member.

ARTICLE V

INDEMNIFICATION

Section 5.1 INDEMNIFICATION BY THE COMPANY.

(a) The Company shall indemnify an indemnified representative against any liability incurred in connection with any proceeding in which the indemnified representative may be involved as a party or otherwise, as and when incurred, by reason of the fact that such person is or was serving in an indemnified capacity, including, without limitation, liabilities resulting from any actual or alleged breach or neglect of duty, error, misstatement or misleading statement, negligence, gross negligence or act giving rise to liability, except:

(1) where such indemnification is expressly prohibited by applicable law;

(2) where the conduct of the indemnified representative has been finally determined:

(i) to constitute willful misconduct or recklessness sufficient in the circumstances to bar indemnification against liabilities arising from the conduct; or

(ii) to be based upon or attributable to the receipt by the indemnified representative from the Company of a personal benefit to which the indemnified representative is not legally entitled; or

(3) to the extent such indemnification has been finally determined in a final adjudication to be otherwise unlawful.

(b) If an indemnified representative is entitled to indemnification in respect of a portion, but not all, of any liabilities to which such person may be subject, the Company shall indemnify such indemnified representative to the maximum extent for such portion of the liabilities.

(c) The termination of a proceeding by judgment, order, settlement or conviction or upon a plea of nolo contendere or its equivalent shall not of itself create a presumption that the indemnified representative is not entitled to indemnification.

(d) Definitions. For purposes of this Article:

(1) "indemnified capacity" means any and all past, present and future service by an indemnified representative in one or more capacities as a Member, Manager, Representative, Alternate or authorized agent of the Company;

(2) "indemnified representative" means any and all Members, Managers, Representatives, Alternates and authorized agents of the Company and any other person designated as an indemnified representative by the mutual consent of the Thrasher Members and Bidder Member, given in accordance with the provisions of this Operating Agreement;

(3) "liability" means any damage, judgment, amount paid in settlement, fine, penalty, punitive damages, excise tax assessed with respect to an employee benefit plan, or cost or expense of any nature (including, without limitation, attorneys' fees and disbursements); and

(4) "proceeding" means any threatened, pending or completed action, suit, appeal or other proceeding of any nature, whether civil, criminal, administrative or investigative, whether formal or informal, and whether brought by or in the right of the Company, a class of its Members or security holders or otherwise.

Section 5.2 PROCEEDINGS INITIATED BY INDEMNIFIED REPRESENTATIVES. Notwithstanding any other provision of this Article, the Company shall not indemnify under this Article an indemnified representative for any liability incurred in a proceeding

initiated (which shall not be deemed to include counterclaims or affirmative defenses) or participated in as an intervenor or amicus curiae by the person seeking indemnification unless such initiation of or participation in the proceeding is authorized, either before or after its commencement, by the unanimous consent of the Board of Representatives. This Section does not apply to reimbursement of expenses incurred in successfully prosecuting or defending the rights of an indemnified representative granted by or pursuant to this Article.

Section 5.3 ADVANCING EXPENSES. The Company shall pay the expenses (including attorneys' fees and disbursements) incurred in good faith by an indemnified representative in advance of the final disposition of a proceeding described in Section 5.1 or the initiation of or participation in which is authorized pursuant to Section 5.2 upon receipt of an undertaking by or on behalf of the indemnified representative to repay the amount if it is ultimately determined that such person is not entitled to be indemnified by the Company pursuant to this Article. The financial ability of an indemnified representative to repay an advance shall not be a prerequisite to the making of such advance.

Section 5.4 PAYMENT OF INDEMNIFICATION. An indemnified representative shall be entitled to indemnification within thirty (30) days after a written request for indemnification has been delivered to the secretary of the Company.

Section 5.5 ARBITRATION.

(a) Any dispute related to the right to indemnification, contribution or advancement of expenses as provided under this Article, except with respect to indemnification for Liabilities arising under the Securities Act of 1933, as amended, that the Company has undertaken to submit to a court for adjudication, shall be decided only by arbitration in the metropolitan area in which the principal executive offices of the Company are located at the time, in accordance with the commercial arbitration rules then in effect of the American Arbitration Association, before a panel of three arbitrators, one of whom shall be selected by the Company, the second of whom shall be selected by the Indemnified Representative and the third of whom shall be selected by the other two arbitrators. In the absence of the American Arbitration Association, or if for any reason arbitration under the arbitration rules of the American Arbitration Association cannot be initiated, and if one of the parties fails or refuses to select an arbitrator or the arbitrators selected by the Company and the Indemnified Representative cannot agree on the selection of the third arbitrator within thirty (30) days after such time as the Company and the Indemnified Representative have each been notified of the selection of the other's arbitrator, the necessary arbitrator or arbitrators shall be selected by the presiding judge of the court of general jurisdiction in such metropolitan area.

(b) Each arbitrator selected as provided in this Section is required to be or have been a Manager, director or executive officer of a limited liability company, corporation or other entity whose equity securities were listed during at least one (1) year

of such service on the New York Stock Exchange or the American Stock Exchange or quoted on the National Association of Securities Dealers Automated Quotations System.

(c) The party or parties challenging the right of an Indemnified Representative to the benefits of this Article shall have the burden of proof.

(d) The Company shall reimburse an Indemnified Representative for the expenses (including attorneys' fees and disbursements) incurred in successfully prosecuting or defending such arbitration.

(e) Any award entered by the arbitrators shall be final, binding and nonappealable and judgment may be entered thereon by any party in accordance with applicable law in any court of competent jurisdiction, except that the Company shall be entitled to interpose as a defense in any such judicial enforcement proceeding any prior final judicial determination adverse to the indemnified representative under Section 5.1 in a proceeding not directly involving indemnification under this Article. This arbitration provision shall be specifically enforceable.

Section 5.6 CONTRIBUTION. If the indemnification provided for in this Article or otherwise is unavailable for any reason in respect of any liability or portion thereof, the Company shall contribute to the liabilities to which the indemnified representative may be subject in such proportion as is appropriate to reflect the intent of this Article or otherwise.

Section 5.7 MANDATORY INDEMNIFICATION OF MEMBERS AND MANAGERS. To the extent that an indemnified representative of the Company has been successful on the merits or otherwise in defense of any proceeding or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees and disbursements) actually and reasonably incurred by such person in connection therewith.

Section 5.8 CONTRACT RIGHTS; AMENDMENT OR REPEAL. All rights under this Article shall be deemed a contract between the Company and the indemnified representative pursuant to which the Company and each indemnified representative intend to be legally bound. Any repeal, amendment or modification hereof shall be prospective only and shall not affect any rights or obligations then existing.

Section 5.9 SCOPE OF ARTICLE. The rights granted by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification, contribution or advancement of expenses may be entitled under any statute, agreement, vote of disinterested Members or disinterested Representatives, Alternates, Managers or otherwise, both as to action in an indemnified capacity and as to action in any other capacity. The indemnification, contribution and advancement of expenses provided by or granted pursuant to this Article shall continue as to a person who has ceased to be an indemnified representative in respect of matters arising prior to such time, and shall inure

to the benefit of the heirs, executors, administrators, personal representatives, successors and permitted assigns of such a person.

Section 5.10 RELIANCE ON PROVISIONS. Each person who shall act as an indemnified representative of the Company shall be deemed to be doing so in reliance upon the rights of indemnification, contribution and advancement of expenses provided by this Article.

ARTICLE VI

CAPITAL ACCOUNTS

Section 6.1 DEFINITIONS. For the purposes of this Operating Agreement, unless the context otherwise requires:

"Additional Capital Contribution" means the Capital Contributions described in Section 6.3 and made following the Initial Capital Contribution.

"Adjusted Capital Account" shall mean, for any Member, its Capital Account balance maintained and adjusted as required by Treasury Regulation Section 1.704-1(b)(2)(iv).

"Capital Account" shall mean, with respect to a Member, such Member's capital account established and maintained in accordance with the provisions of Section 6.5.

"Capital Contribution" means any contribution to the capital of the Company in cash, property or expertise by a Member whenever made. A loan by a Member of the Company shall not be considered a Capital Contribution.

"Initial Capital Contribution" means the Capital Contributions made by the parties on the date of this Agreement.

"IRC" shall mean the Internal Revenue Code of 1986, as amended.

"Membership Interest" means a Member's interest in the Company.

"Percentage Interest" means, with respect to any Member, the Percentage Interest set forth opposite such Member's name on Schedule A attached hereto, as amended from time to time to reflect transfers of Membership Interests in accordance with this Operating Agreement.

"Profits" and "Losses" mean, for each Fiscal Year, an amount equal to the Company's taxable income or loss for such Fiscal Year, deter-mined in accordance with IRC (S)703(a). For the purpose of this definition, all items of income, gain, loss or

deduction required to be stated separately pursuant to IRC (S)703(a)(1) shall be included in taxable income or loss with the following adjustments:

(1) Any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Profits or Losses pursuant to this Section shall be added to such taxable income or loss;

(2) Any expenditures of the Company described in IRC (S)705(a)(2)(B) or treated as IRC (S)705(a)(2)(B) expenditures pursuant to Treasury Regulation (S)1.704-1(b)(2)(iv)(i), and not otherwise taken into account in computing Profits or Losses pursuant to this Section shall be subtracted from such taxable income or loss.

"Treasury Regulations" include proposed, temporary and final regulations promulgated under the IRC in effect as of the date of this Operating Agreement and the corresponding sections of any regulations subsequently issued that amend or supersede such regulations.

Section 6.2 DETERMINATION OF TAX BOOK VALUE OF COMPANY ASSETS.

(a) Except as set forth below, the "Tax Book Value" of any Company asset is its adjusted basis for federal income tax purposes.

(b) The initial Tax Book Value of any assets contributed by a Member to the Company shall be the agreed fair market value of such assets, increased by the amount of liabilities of the contributing Member assumed by the Company in connection with the contribution of such assets plus the amount of any other liabilities to which such assets are subject. The Tax Book Values of the Initial Capital Contributions are set forth on Schedule A hereto.

(c) The Tax Book Values of all Company assets may be adjusted by the Managers to equal their respective gross fair market values as of the following times: (i) the admission of an additional Member to the Company or the acquisition by an existing Member of an additional Membership Interest; (ii) the distribution by the Company of money or property to a withdrawing, retiring or continuing Member in consideration for the retirement of all or a portion of such Member's Membership Interest; and (iii) the termination of the Company for federal income tax purposes pursuant to Section 708(b)(1)(B) of the IRC. Notwithstanding the foregoing, the Tax Book Values of Company assets will not be adjusted at the time of the contribution of any portion of the Additional Capital Contributions or any Permitted HoldCo Capital Contribution as outlined in the Formation Agreements.

Section 6.3 CAPITAL CONTRIBUTIONS.

Prior to the Initial Closing, the Initial Transferring Entities and Bidder Member shall cause HoldCo, HoldCo Sub and OpCo to be formed. Thereafter, at the time of each

Closing, the Transferring Entities will contribute Thrasher Contributed Assets and Thrasher Assumed Liabilities, and Bidder Member will contribute the Bidder Contributed Cash and any Bidder Contributed Shares directly to HoldCo in exchange for Membership Interests; thereafter, HoldCo will cause such Thrasher Contributed Assets and such Thrasher Assumed Liabilities as well as the portion of the Bidder Contributed Cash attributable to the Working Capital Contribution as provided in the Formation Agreement to be contributed to HoldCo Sub; thereafter, HoldCo Sub will cause all such assets and liabilities to be contributed to OpCo. In connection with the foregoing, for convenience, at any Closing the Transferring Entities may convey the Thrasher Contributed Assets and Thrasher Assumed Liabilities directly to OpCo. In accordance with this:

(a) The Initial Capital Contribution of each Member is set forth on Schedule A and is made as of the date hereof.

(b) Additional Capital Contributions shall be made as of the dates of any subsequent Closings, and the Percentage Interests of the Members shall be adjusted as provided in such Formation Agreement and on an amended and restated Schedule A. The Members acknowledge and agree that for purposes of computing the Tax Book Values of the property contributed as Additional Capital Contributions and the Percentage Interests of the Members, the provisions of the Formation Agreement shall apply.

(c) No Member shall be obligated to make any other Capital Contributions to the Company in excess of its Initial Capital Contribution and Additional Capital Contributions. Notwithstanding the foregoing, Bidder Member may make a Permitted HoldCo Capital Contribution, and the Percentage Interests of the Members shall be adjusted from the date of such contribution by assuming such a Permitted HoldCo Capital Contribution was a Working Capital Contribution and the Percentage Interests were determined in the manner set forth in the Formation Agreement.

(d) No Member shall be permitted to make any capital contributions other than those outlined in paragraphs (a) through (c) to the Company unless mutually agreed by the Thrasher Members and Bidder Member.

Section 6.4 LIABILITY FOR CONTRIBUTION.

(a) A Member of the Company is obligated to the Company to perform any promise to contribute cash or property or to perform services, even if the Member is unable to perform because of death, disability or any other reason. If a Member does not make the required contribution of property or services, the Member is obligated at the option of the Company to contribute cash equal to that portion of the agreed value (as stated in the records of the Company) of the contribution that has not been made. The foregoing option shall be in addition to, and not in lieu of, any other rights, including the right to specific performance, that the Company may have against such Member under applicable law.

(b) The obligation of a Member of the Company to make a contribution or return money or other property paid or distributed in violation of the Act may be compromised only by consent of all the Members. Notwithstanding the compromise, a creditor of the Company who extends credit, after entering into this Operating Agreement or an amendment hereof which, in either case, reflects the obligation, and before the amendment hereof to reflect the compromise, may enforce the original obligation to the extent that, in extending credit, the creditor reasonably relied on the obligation of a Member to make a contribution or return. A conditional obligation of a Member to make a contribution or return money or other property to the Company may not be enforced unless the conditions of the obligation have been satisfied or waived as to or by such Member. Conditional obligations include contributions payable upon a discretionary call of the Company prior to the time the call occurs.

Section 6.5 CAPITAL ACCOUNTS. A separate Capital Account will be maintained for each Member. The initial Capital Accounts shall consist solely of the Initial Capital Contribution of the Members pursuant to Section 6.3. Notwithstanding any other provision hereof, the Company shall determine and adjust the Capital Accounts in accordance with the rules of Treasury Regulation Section 1.704-1(b)(2)(iv). Except as otherwise required in the Act, no Member shall have any liability to restore all or any portion of a deficit balance in the Member's Capital Account.

Section 6.6 NO INTEREST ON OR RETURN OF CAPITAL. No Member shall be entitled to interest on any Capital Contribution or Capital Account. No Member shall have the right to demand or receive the return of all or any part of any Capital Contribution or Capital Account except as may be expressly provided herein, and no Member shall be personally liable for the return of the Capital Contributions of any other Member.

Section 6.7 PERCENTAGE INTEREST. The Percentage Interests of the Members are as set forth on Schedule A. The Percentage Interests shall be updated by the Managers to reflect any transfers of Membership Interests and the making of Additional Capital Contributions and any Permitted HoldCo Contributions, set forth on a revised Schedule A and filed with the records of the Company. The sum of the Percentage Interests for all Members shall equal 100 percent.

Section 6.8 ALLOCATIONS OF PROFITS AND LOSSES GENERALLY. After the allocations in. Section 6.9, at the end of each year (or shorter period if necessary or longer period if agreed by all of the Partners), Profits and Losses shall be allocated as follows:

(a) Profits. Profits shall be allocated to the Members in proportion to their respective Percentage Interests.

(b) Losses. Losses shall be allocated to the Members in proportion to their respective Percentage Interests.

Section 6.9 ALLOCATIONS UNDER REGULATIONS.

(a) Company Nonrecourse Deductions. Loss attributable (under Treasury Regulation Section 1.704-2(c)) to "partnership nonrecourse liabilities" (within the meaning of Treasury Regulation Section 1.704-2(b)(1)) shall be allocated among the Members in the same proportion as their respective Percentage Interests.

(b) Member Nonrecourse Deductions. Loss attributable (under Treasury Regulation Section 1.704-2(i)(2)) to "partner nonrecourse debt" (within the meaning of Treasury Regulation Section 1.704-2(b)(4)) shall be allocated, in accordance with Treasury Regulation Section 1.704- 2(i)(1), to the Member who bears the economic risk of loss with respect to the debt to which the Loss is attributable. The Members acknowledge that the Incurred Debt, if any, shall be treated as "partner nonrecourse debt."

(c) Minimum Gain Chargeback. Each Member will be allocated Profits at such times and in such amounts as necessary to satisfy the minimum gain chargeback requirements of Treasury Regulation Sections 1.704-2(f) and 1.704-2(i)(4).

(d) Qualified Income Offset. Losses and items of income and gain shall be specially allocated when and to the extent required to satisfy the "qualified income offset" requirement within the meaning of Treasury Regulation Section 1.704-1(b)(2)(ii)(d).

Section 6.10 OTHER ALLOCATIONS.

(a) Allocations when Tax Book Value Differs from Tax Basis. When the Tax Book Value of a Company asset is different from its adjusted tax basis for income tax purposes, then, solely for federal, state and local income tax purposes and not for purposes of computing Capital Accounts, income, gain, loss, deduction and credit with respect to such assets ("Section 704(c) Assets") shall be allocated among the Members to take this difference into account in accordance with the principles of IRC Section 704(c), as set forth herein and in the Treasury Regulations thereunder and under IRC Section 704(b). Except to the extent otherwise required by final Treasury Regulations, the calculation and allocations eliminating the differences between Tax Book Value and adjusted tax basis of the Section 704(c) Assets shall be made on an asset-by-asset basis without curative or remedial allocations to overcome the "ceiling rule" of Treasury Regulation Section 1.704-3(b)(1).

(b) Change in Member's Interest.

(1) If during any fiscal year of the Company there is a change in any Member's Membership Interest, then for purposes of complying with IRC Section 706(d), the determination of Company items allocable to any period shall be made by using any method permissible under IRC Section 706(d) and the Regulations thereunder as may be determined by the Managers.

(2) The Members agree to be bound by the provisions of this Section 6.10(b) in reporting their shares of Company income, gain, loss, and deduction for tax purposes.

(c) Allocations on Liquidation. Notwithstanding any other provision of this Article VI to the contrary, in the taxable year in which there is a liquidation of the Company, after the allocations in Sections 6.8 and 6.9 hereof, the Capital Accounts of the Members will, to the extent possible, be brought to the amount of the liquidating distributions to be made to them under Section 9.5 hereof by allocations of items of profit and loss and, if necessary, by guaranteed payments (within the meaning of Code Section 707(c)) credited to the Capital Account of a Member whose Capital Account is less than the amount to be distributed to it and debited from the Capital Account of the Member whose Capital Account is greater than the amount to be distributed to it.

Section 6.11 LIMITATIONS UPON LIABILITY OF MEMBERS. Except as otherwise expressly and specifically provided in or required by the Certificate or this Operating Agreement, the personal liability of each Member to the Company, to the other Members, to the creditors of the Company or any third party for the losses, debts or liabilities of the Company shall be limited to the amount of its Capital Contribution which has not theretofore been returned to it as a distribution (including a distribution upon liquidation). For purposes of the foregoing sentence, distributions to a Member shall first be deemed a return of its Capital Contribution. No Member shall at any time be liable or held accountable to the Company, to the other Members, to the creditors of the Company or to any other third party for or on account of any negative balance in its Capital Account.

ARTICLE VII

DISTRIBUTIONS

Section 7.1 NET CASH FROM OPERATIONS AND DISTRIBUTIONS.

(a) Except as otherwise provided in this Operating Agreement including, without limitation, in Section 3.8 hereof, Net Cash From Operations, if any, shall be determined annually within ninety (90) days after the end of each fiscal year jointly by the Members and distributed for each fiscal year to the Members in accordance with their Percentage Interests.

(b) For purposes of this Operating Agreement, "Net Cash From Operations" means the gross cash proceeds from Company operations less the portion thereof used to, or expected to be used to, pay expenses, debt payments, capital improvements, replacements and increases to reserves therefor. "Net Cash From Operations" shall not be reduced by depreciation, amortization, cost recovery deductions or similar allowances, but shall be increased by any reductions to reserves previously established.

Section 7.2 LIMITATIONS ON DISTRIBUTIONS.

(a) The Company shall not make a distribution to a Member to the extent that at the time of the distribution, after giving effect to the distribution, all liabilities of the Company, other than liabilities to Members on account of their interests in the Company and liabilities for which the recourse of creditors is limited to specified property of the Company, exceed the fair value of the assets of the Company, except that the fair value of property that is subject to a liability for which the recourse of creditors is limited shall be included in the assets of the Company only to the extent that the fair value of that property exceeds that liability.

(b) A Member who receives a distribution in violation of subsection (a), and who knew at the time of the distribution that the distribution violated this section, shall be liable to the Company for the amount of the distribution. A Member who receives a distribution in violation of this section, and who did not know at the time of the distribution that the distribution violated this section, shall not be liable for the amount of the distribution. Subject to subsection (c), this subsection shall not affect any obligation or liability of a Member under other applicable law for the amount of a distribution.

(c) A Member who receives a distribution from the Company shall have no liability under this Section, the Act or other applicable law for the amount of the distribution after the expiration of three (3) years from the date of the distribution unless an action to recover the distribution from such Member is commenced prior to the expiration of the said three (3) year period and an adjudication of liability against such Member is made in the action.

Section 7.3 AMOUNTS OF TAX PAID OR WITHHELD. All amounts paid or withheld pursuant to the IRC or any provision of any state or local tax law with respect to any Member shall be treated as amounts distributed to the Member pursuant to this Article for all purposes under this Operating Agreement.

Section 7.4 DISTRIBUTION IN KIND. The Company shall not distribute any assets in kind, except pursuant to a dissolution in accordance with Article IX.

Section 7.5 CONTRIBUTED CASH DISTRIBUTION. In connection with making the Initial Capital Contributions and each Additional Capital Contribution, the Company shall distribute the Contributed Cash Distribution and the Financing Distribution, if any, as specified in the Formation Agreement to the Thrasher Members participating in such capital contribution (or their successors in interest).

Section 7.6 REDEMPTION OF MEMBERSHIP INTERESTS. No transfer or disposition of the Bidder Contributed Shares, if any, shall be made (including pursuant to Article IX) prior to the first anniversary of the Final Closing Date. The Thrasher Members may at any time after the first anniversary of the Final Closing Date cause any or all of the Bidder Contributed Shares to be distributed to the Thrasher Members in redemption of a percentage of their membership interests and thereafter the aggregate Membership

Interests of the Thrasher Members shall be equal to (a) the Thrasher Interest Value divided by (b) Total Entity Value (computing each such amount taking into account the value of Additional Contributed Towers under Section 2A.10 of the Formation Agreement, if applicable, but excluding the value of any distributed Bidder Contributed Shares). The aggregate Membership Interest as adjusted shall be apportioned among the Thrasher Members in proportion to the redeemed Membership Interest held by them.

ARTICLE VIII

TRANSFERABILITY

Section 8.1 RESTRICTION ON TRANSFERS BY BIDDER MEMBER. Without the prior written consent of Thrasher, Bidder Member shall not have the right, directly or indirectly, to sell, assign, transfer, pledge, hypothecate, mortgage or dispose of, by gift or otherwise, or in any way encumber, any of the Bidder HoldCo Interest unless either (a) the transfer is made to an entity of which Bidder or Bidder Member owns directly or indirectly all of the voting power of the outstanding capital stock (provided that (x) such entity executes an instrument reasonably satisfactory in form and substance to Thrasher pursuant to which it agrees to be bound hereby and (y) Bidder (or its successor by merger) shall not thereafter at any time cease to own directly or indirectly less than all of the voting power of the outstanding capital stock of such entity), or (b) Bidder Member has complied with the procedures described in this Article VIII and (i) the transfer is made subject to the right of first refusal described in Section 8.3 hereof, and (ii) to the extent Thrasher does not exercise its right of first refusal described in Section 8.3 hereof, the transfer is made subject to the right of participation in sales described in Section 8.5(a) hereof. For purposes of the foregoing, Bidder Member shall not be deemed to have indirectly transferred any of the Bidder HoldCo Interest if Bidder or any other parent corporation of Bidder Member is a party to any merger or consolidation transaction, whether or not such parent corporation is the surviving entity in such merger. Any purported transfer of the Bidder HoldCo Interest in violation of this Section 8.1 shall be void.

Section 8.2 RESTRICTION ON TRANSFERS BY THRASHER MEMBERS Without the prior written consent of Bidder Member, no Thrasher Member shall have the right, directly or indirectly, to sell, assign, transfer, pledge, hypothecate, mortgage or dispose of, by gift or otherwise, or in any way encumber, any of the Thrasher HoldCo Interest unless either (i) the transfer is made to another Thrasher Member or to any entity of which either Thrasher Parent, Thrasher, or Bell Atlantic (after the Bell Atlantic Thrasher Merger is consummated) is the owner directly or indirectly of a majority of the voting power of the outstanding ownership interests of such entity (provided that (x) such entity executes an instrument reasonably satisfactory in form and substance to Bidder Member pursuant to which it agrees to be bound hereby and (y) Thrasher Parent or Thrasher (or the successor by merger to either) shall not thereafter at any time cease to own directly or indirectly less than a majority of the voting power of the outstanding ownership interests of such entity), or (ii) the Thrasher Member has complied with the procedures described in this Article VIII and (A) the transfer is made subject to the right of first refusal

described in Section 8.4 hereof or (B) to the extent Bidder Member does not exercise its right of first refusal described in Section 8.4 hereof, the transfer is made subject to the right of participation in sales described in Section 8.5(b) hereof. For purposes of the foregoing, no Thrasher Member shall be deemed to have indirectly transferred any of the Thrasher HoldCo Interest if Thrasher Parent or any other parent corporation of such Thrasher Member is a party to any merger or consolidation transaction, whether or not such parent corporation is the surviving entity in such merger. Any purported transfer of any Thrasher HoldCo Interest in violation of this Section 8.2 shall be void.

Section 8.3 THRASHER RIGHT OF FIRST REFUSAL OF TRANSFER.

(a) Subject to the provisions of Section 8.1, if at any time Bidder Member wishes to sell all or any part of the Bidder HoldCo Interest, Bidder Member shall submit a written offer to sell such Bidder HoldCo Interest to Thrasher (on behalf of the Thrasher Members) on terms and conditions, including price, not less favorable to Thrasher than those on which Bidder Member proposes to sell the Bidder HoldCo Interest to any other purchaser (the "Bidder Offer"). The Bidder Offer shall disclose the identity of the proposed purchaser or transferee, the percentage of the Bidder HoldCo Interest to be sold, the terms of the sale, any amounts owed to Bidder Member with respect to the Bidder HoldCo Interest and any other material facts relating to the sale. Thrasher shall respond to the Bidder Offer as soon as practicable after receipt thereof, and in all events within thirty (30) days after receipt thereof. The Bidder Offer may be revoked at any time. Thrasher shall have the right to accept the Bidder Offer as to all (but not less than all) of the Bidder HoldCo Interest offered thereby. In the event that Thrasher shall elect on a timely basis to purchase all (but not less than all) of the Bidder HoldCo Interest covered by the Bidder Offer, Thrasher shall communicate in writing such election to purchase to Bidder Member, which communication shall be delivered by hand or mailed to Bidder Member at the address set forth in Schedule A hereto and shall, when taken in conjunction with the Bidder Offer, be deemed to constitute a valid, legally binding and enforceable agreement for the sale and purchase of the Bidder HoldCo Interest covered thereby; provided, however, that Bidder Member may elect in its sole discretion to terminate such agreement at any time prior to the closing of such sale and purchase, in which case such Bidder HoldCo Interest shall again become subject to the requirements of a prior offer pursuant to this Section. In the event Bidder Member terminates any such agreement prior to closing, Bidder Member shall be prohibited from consummating a transaction for the sale and purchase of the Bidder HoldCo Interest with the proposed purchaser or transferee for two (2) years from the date of such termination, and shall be prohibited from consummating a transaction for the sale and purchase of the Bidder HoldCo Interest with any other party for six (6) months from the date of such termination. In the event that any Bidder Offer includes any non-cash consideration, Thrasher may in its sole discretion elect to pay a cash amount equal to the fair market value of such non-cash consideration in lieu of such non-cash consideration. The closing of the sale and purchase contemplated by any agreement for the sale and purchase of any portion of the Bidder HoldCo Interest entered into between a Thrasher Member and Bidder Member pursuant to this Section 8.3 shall be consummated within sixty (60) days after the date that such agreement becomes valid, legally binding and enforceable as

aforesaid, subject to extension to the extent necessary to secure required approvals or consents from Governmental Authorities. Each of Thrasher and Bidder Member hereby agrees to use its reasonable best efforts to obtain such required approvals or consents from Governmental Authorities.

(b) In the event that Thrasher does not purchase the Bidder HoldCo Interest offered by Bidder Member pursuant to the Bidder Offer, such Bidder HoldCo Interest not so purchased may be sold by Bidder Member at any time within ninety (90) days after the expiration of the Bidder Offer, subject to the provisions of Section 8.5 below. Any such sale shall be to the same proposed purchaser or transferee, at not less than the price and upon other terms and conditions, if any, not more favorable to the purchaser than those specified in the Bidder Offer. If such Bidder HoldCo Interest is not sold within such ninety (90)-day period, it shall again become subject to the requirements of a prior offer pursuant to this Section 8.3. In the event that such Bidder HoldCo Interest is sold pursuant to this Section 8.3 to any purchaser other than Thrasher, such Bidder HoldCo Interest shall continue to be subject to the restrictions imposed by this Operating Agreement and Section 8.3 of the Formation Agreement with the same effect as though such purchaser were Bidder Member for purposes of this Section.

Section 8.4 BIDDER MEMBER'S RIGHT OF FIRST REFUSAL OF TRANSFER.

(a) Subject to the provisions of Section 8.2, if at any time any Thrasher Member wishes to sell all or any part of its Thrasher HoldCo Interest, such Thrasher Member shall submit a written offer to sell such Thrasher HoldCo Interest to Bidder Member on terms and conditions, including price, not less favorable to Bidder Member than those on which such Thrasher Member proposes to sell the Thrasher HoldCo Interest to any other purchaser (the "Thrasher Offer"). The Thrasher Offer shall disclose the identity of the proposed purchaser or transferee, the percentage of the Thrasher HoldCo Interest to be sold, the terms of the sale, any amounts owed to the Thrasher Member with respect to the Thrasher HoldCo Interest and any other material facts relating to the sale. Bidder Member shall respond to the Thrasher Offer as soon as practicable after receipt thereof, and in all events within thirty (30) days after receipt thereof. The Thrasher Offer may be revoked at any time. Bidder Member shall have the right to accept the Thrasher Offer as to all (but not less than all) of the Thrasher HoldCo Interest offered thereby. In the event that Bidder Member elects on a timely basis to purchase all (but not less than all) of the Thrasher HoldCo Interest covered by the Thrasher Offer, Bidder Member shall communicate in writing such election to purchase to the Thrasher Member, which communication shall be delivered by hand or mailed to the Thrasher Member at the address set forth in Schedule A hereto and shall, when taken in conjunction with the Thrasher Offer, be deemed to constitute a valid, legally binding and enforceable agreement for the sale and purchase of the Thrasher HoldCo Interest covered thereby; provided, however, that the Thrasher Member may elect in its sole discretion to terminate such agreement at any time prior to the closing of such sale and purchase, in which case such Thrasher HoldCo Interest shall again become subject to the requirements of a prior offer pursuant to this Section. In the event the Thrasher Member terminates any such agreement prior to closing, the Thrasher Member shall be prohibited

from consummating a transaction for the sale and purchase of the Thrasher HoldCo Interest with the proposed purchaser or transferee for two (2) years from the date of such termination, and shall be prohibited from consummating a transaction for the sale and purchase of the Thrasher HoldCo Interest with any other party for six (6) months from the date of such termination. In the event that any Thrasher Offer includes any non-cash consideration, Bidder Member may in its sole discretion elect to pay a cash amount equal to the fair market value of such non-cash consideration in lieu of such non-cash consideration. The closing of the sale and purchase contemplated by any agreement for the sale and purchase of any portion of the Thrasher HoldCo Interest or Thrasher Retained Interest entered into between the Thrasher Member and Bidder Member pursuant to this Section 8.4 shall be consummated within sixty (60) days after the date that such agreement becomes valid, legally binding and enforceable as aforesaid, subject to extension to the extent necessary to secure required approvals or consents from Governmental Authorities. Each of Thrasher Member and Bidder Member hereby agrees to use its reasonable best efforts to obtain such required approvals or consents from Governmental Authorities.

(b) In the event that Bidder Member does not purchase the Thrasher HoldCo Interest offered by the Thrasher Member pursuant to the Thrasher Offer, such Thrasher HoldCo Interest not so purchased may be sold by the Thrasher Member at any time within ninety (90) days after the expiration of the Thrasher Offer. Any such sale shall be to the same proposed purchaser or transferee, at not less than the price and upon other terms and conditions, if any, not more favorable to the purchaser than those specified in the Thrasher Offer. If such Thrasher HoldCo Interest is not sold within such ninety (90)-day period, such Thrasher HoldCo Interest shall continue to be subject to the requirements of a prior offer pursuant to this Section. In the event that such Thrasher HoldCo Interest is sold pursuant to this Section to any purchaser other than Bidder Member, such portion of the Thrasher HoldCo Interest shall continue to be subject to the restrictions imposed by this Operating Agreement and Section 8.4 of the Formation Agreement with the same effect as though such purchaser were the Thrasher Member for purposes of such Section.

Section 8.5 RIGHT OF PARTICIPATION IN SALES.

(a) If at any time Bidder Member wishes to sell all or any portion of the Bidder HoldCo Interest to any person or entity other than Thrasher (on behalf of the Thrasher Members) (the "Bidder HoldCo Interest Purchaser"), Thrasher shall have the right to offer for sale to the Bidder HoldCo Interest Purchaser, as a condition of such sale by Bidder Member, at the same price and on the same terms and conditions as involved in such sale by Bidder Member, the same proportion of the aggregate Thrasher HoldCo Interest as the proposed sale represents with respect to the Bidder HoldCo Interest. Thrasher shall notify Bidder Member of such intention as soon as practicable after receipt of the Bidder Offer made pursuant to Section 8.3, and in all events within thirty (30) days after receipt thereof in the event that Thrasher elects to participate in such sale by Bidder Member, Thrasher shall communicate such election to Bidder Member, which communication shall be delivered in accordance with Section 11.5. Bidder Member and

those Thrasher Members selected by Thrasher shall sell to the Bidder HoldCo Interest Purchaser the Bidder HoldCo Interest proposed to be sold by Bidder Member and the Thrasher HoldCo Interest proposed to be sold by the Thrasher Members at not less than the price and upon other terms and conditions, if any, not more favorable to the Bidder HoldCo Interest Purchaser than those in the Bidder Offer provided by Bidder Member under Section 8.3 above; provided, however, that any purchase of less than all of the Bidder HoldCo Interest and the Thrasher HoldCo Interest by the Bidder HoldCo Interest Purchaser shall be made from Bidder Member and the Thrasher Members pro rata based upon the amount offered to be sold by each. Any portion of the Bidder HoldCo Interest and the Thrasher HoldCo Interest sold pursuant to this Section 8.5(a) shall no longer be subject to the restrictions imposed by Sections 8.3 or 8.4 of this Operating Agreement or entitled to the benefit of this Section 8.5(a).

(b) If at any time any Thrasher Member wishes to sell all or any portion of the Thrasher HoldCo Interest to any person or entity other than Bidder Member or the Thrasher Parent (the "Thrasher HoldCo Interest Purchaser"), Bidder Member shall have the right to offer for sale to the Thrasher HoldCo Interest Purchaser, as a condition of such sale by the Thrasher Member, at the same price and on the same terms and conditions as involved in such sale by the Thrasher Member, the same proportion of the Bidder HoldCo Interest as the proposed sale represents with respect to the Thrasher HoldCo Interest. Bidder Member shall notify Thrasher of such intention as soon as practicable after receipt of the Thrasher Offer made pursuant to Section 8.4, and in all events within thirty (30) days after receipt thereof . In the event that Bidder Member elects to participate in such sale by the Thrasher Member, Bidder Member shall communicate such election to Thrasher, which communication shall be delivered in accordance with Section 11.5, and, in shall event, Thrasher Members and Bidder Member shall sell to the Thrasher HoldCo Interest Purchaser the Thrasher HoldCo Interest proposed to be sold by the Thrasher Member and the Bidder HoldCo Interest proposed to be sold by Bidder Member, at not less than the price and upon other terms and conditions, if any, not more favorable to the Thrasher HoldCo Interest Purchaser than those in the Thrasher Offer provided by Thrasher under Section 8.4 above; provided, however, that any purchase of less than all of the Thrasher HoldCo Interest proposed to be sold by the Thrasher Member and the Bidder HoldCo Interest proposed to be sold by the Bidder Member by the Thrasher HoldCo Interest Purchaser shall be made from the Thrasher Member and Bidder Member pro rata based upon the amount offered to be sold by each. Any portion of the Thrasher HoldCo Interest and the Bidder HoldCo Interest sold pursuant to this Section 8.5(b) shall no longer be subject to the restrictions imposed by Sections 8.3 or 8.4 or entitled to the benefit of this Section 8.5(b).

Section 8.6 EFFECT OF TRANSFER.

(a) In addition to satisfaction of Section 4.1 and the above provisions of this Article VIII, no assignee or transferee of all or part of a Membership Interest in the Company shall have the right to become admitted as a Member, unless and until:

(1) the assignee or transferee has executed an instrument reasonably satisfactory to the Managers accepting and adopting the provisions of this Operating Agreement;

(2) the assignee or transferee has paid all reasonable expenses of the Company requested to be paid by the Managers in connection with the admission of such assignee or transferee as a Member; and

(3) such assignment or transfer shall be reflected in a revised Schedule A to this Operating Agreement.

(b) A person who is a permitted assignee of an interest in the Company transferred in compliance with the provisions of this Article VIII shall be admitted to the Company as a Member and shall receive an interest in the Company without making a contribution or being obligated to make a contribution to the Company.

Section 8.7 NO RESIGNATION OF MEMBERS. A Member may not withdraw or resign from the Company prior to dissolution or winding up of the Company. If a Member is a corporation, trust or other entity and is dissolved or terminated, the powers of that Member may be exercised by its legal representative or successor.

ARTICLE IX

DISSOLUTION AND TERMINATION

Section 9.1 DISSOLUTION. The Company shall be dissolved upon the occurrence of any of the following events:

(a) By the written consent of both the Thrasher Members and Bidder Member;

(b) Upon the entry of a decree of judicial dissolution under (S)18-802 of the Act;

(c) Upon the unilateral election by the Thrasher Members, exercisable within ninety days notice at any time after the third anniversary of the Effective Date of this Agreement by Thrasher giving written notice thereof to Bidder Member; or

(d) Upon the unilateral election by Bidder Member, exercisable with ninety days notice at any time after the fourth anniversary of the Effective Date of this Agreement by Bidder Member giving written notice thereof to Thrasher.

Section 9.2 EVENTS OF BANKRUPTCY OF MEMBER. The occurrence of any of the events set forth in this Section 9.2, with respect to any Member, shall not result in the dissolution of the Company. Such Member shall cease to be a Member of the Company,

but shall, however, retain its interest in allocations and distributions, upon the happening of any of the following bankruptcy events:

(a) A Member takes any of the following action:

(1) Makes an assignment for the benefit of creditors.

(2) Files a voluntary petition in bankruptcy.

(3) Is adjudged a bankrupt or insolvent, or has entered against the Member an order for relief, in any bankruptcy or insolvency proceeding.

(4) Files a petition or answer seeking for the Member any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation.

(5) Files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against the Member in any proceeding of this nature.

(6) Seeks, consents to or acquiesces in the appointment of a trustee, receiver or liquidator of the Member or of all or any substantial part of the properties of the Member.

(b) one hundred twenty (120) days after the commencement of any proceeding against the Member seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation, if the proceeding has not been dismissed, or if within ninety (90) days after the appointment without the consent or acquiescence of the Member, of a trustee, receiver or liquidator of the Member or of all or any substantial part of the properties of the Member, the appointment is not vacated or stayed, or within ninety (90) days after the expiration of any such stay, the appointment is not vacated.

Section 9.3 JUDICIAL DISSOLUTION. On application by or for a Member or a Manager, a court may decree dissolution of the Company whenever it is not reasonably practicable to carry on the business in conformity with this Operating Agreement.

Section 9.4 WINDING UP.

(a) The Managers shall wind up the affairs of the Company or may appoint any person or entity, including a Member, who has not wrongfully dissolved the Company, to do so (the "Liquidating Trustee").

(b) Upon dissolution of the Company and until the filing of a certificate of cancellation as provided in Section 9.6, the persons winding up the affairs of

the Company may, in the name of, and for and on behalf of, the Company, prosecute and defend suits, whether civil, criminal or administrative, gradually settle and close the business of the Company, dispose of and convey the property of the Company, discharge or make reasonable provision for the liabilities of the Company, and distribute to the Members any remaining assets of the Company, all without affecting the liability of Members and Managers and without imposing liability on a Liquidating Trustee.

Section 9.5 DISTRIBUTION OF ASSETS.

(a) In the event of any dissolution of the Company, upon the winding up of the Company, its assets shall be distributed as follows:

(1) First, to creditors, including Members and Managers who are creditors, to the extent otherwise permitted by law, in satisfaction of liabilities of the Company (whether by payment or the making of reasonable provision for payment thereof) other than liabilities for which reasonable provision for payment has been made;

(2) Next, (i) the Bidder Contributed Shares, if any, to the Thrasher Members and (ii) subject to the condition that Bidder Member makes the payment required under the following subsection (b), the one hundred (100%) percentage membership interest in HoldCo Sub held by the Company shall be distributed to Bidder Member; and

(3) Then, to the Members in proportion to their Percentage Interests.

(b) If the membership interest in HoldCo Sub is distributed to Bidder Member, in consideration of the distribution to Bidder Member of the HoldCo Sub membership interest, Bidder Member shall make a payment to the Thrasher Members (divided among them in proportion to their respective Percentage Interest), in an amount equal to the Fair Market Value of such membership interest in HoldCo Sub, which reflects the underlying value of the assets held by each of HoldCo Sub and OpCo, multiplied by the Adjusted Thrasher HoldCo Interest. Such payment shall be made in cash. For purposes of this Section of the HoldCo Sub membership interest shall be calculated as follows: (i) Thrasher and Bidder Member shall negotiate in good faith to determine Fair Market Value and (ii) if Thrasher and Bidder Member fail to agree on Fair Market Value within thirty (30) days after such trigger event, the Fair Market Value of the HoldCo Sub membership interest shall be determined pursuant to the appraisal process described below:

(1) Not later than five (5) days after the expiration of the period during which Thrasher and Bidder Member are to negotiate in good faith to determine the Fair Market Value, Thrasher and Bidder Member shall each select an appraiser (which may or may not be a Qualified Investment Banking Finn (as hereinafter defined)) and shall give the other party notice of such selection. Each of such appraisers (the "Original Appraisers") shall determine the

fair market value of the HoldCo Sub membership interest at the time such appraiser renders its written appraisal.

(2) Each Original Appraiser shall deliver its written appraisal to the party retaining such Original Appraiser within twenty (20) days following the date of the selection of both Original Appraisers. Such written appraisals shall be exchanged by Thrasher and Bidder Member at the offices of Alston & Bird LLP, or such other place as the parties shall designate, at 10:00 a.m. local time on the twenty-first (21st) day following the date of the selection of both Original Appraisers. In the event that the Original Appraisers agree on the fair market value, the Fair Market Value shall be such agreed-upon amount. In the event that the Original Appraisers do not agree on the fair market value, (i) if the higher of the two valuations is not more than one hundred ten percent (110%) of the lower valuation of the Original Appraisers, the Fair Market Value shall be the mean of the two valuations, and (ii) if the higher of the two valuations is greater than one hundred ten percent (110%) of the lower valuation, the Original Appraisers shall elect a Qualified Investment Banking Firm which shall independently calculate the fair market value within fifteen (15) days of such election. If the Original Appraisers cannot agree upon a third appraiser within five (5) days following the end of the twenty (20) day period referred to above, then the third appraiser shall be a Qualified Investment Banking Firm appointed by the American Arbitration Association ("AAA"). Neither Thrasher nor Bidder Member nor either of the Original Appraisers shall provide the third appraiser, directly or indirectly, with a copy of the written appraisal of either of the Original Appraisers, an oral or written summary thereof, or the valuation determined by either of the Original Appraisers, either orally or in writing. The valuation of the third appraiser will be compared with the two valuations of the Original Appraisers, and the valuation farthest from the third valuation will be disregarded. The Fair Market Value shall be the mean of the two remaining valuations.

(3) Thrasher and Bidder Member shall give to the Original Appraisers and the third appraiser, and shall cause HoldCo Sub and OpCo to give to the appraisers, free and full access to and the right to inspect, during normal business hours, all of the premises, properties, assets, records, contracts and other documents relating to HoldCo Sub and OpCo and shall permit them and cause HoldCo Sub and OpCo to permit them to consult with the officers, employees, accountants, counsel and agents of HoldCo Sub, OpCo, Thrasher and Bidder Member for the purpose of making such investigation of HoldCo Sub and OpCo as they shall desire to make. Furthermore, Thrasher and Bidder Member shall furnish to the Original Appraisers and the third appraiser, and shall cause HoldCo Sub and OpCo to furnish to such appraisers all such documents and copies of documents and records and information with respect to the affairs of HoldCo Sub and OpCo and copies of any working papers relating thereto as they shall from time to time reasonably request.

(4) "Qualified Investment Banking Firm" means any firm engaged in providing corporate finance, merger and acquisition, and business valuation services and deriving revenues therefrom (excluding any revenues derived from merchant banking activities) of at least $25 million during its last completed fiscal year, but excluding, however, any firms which received more than $250,000 in fees during the preceding twenty-four (24) calendar months from Thrasher or Bidder Member or their respective affiliates and any firms selected by Thrasher or Bidder Member as an Original Appraiser.

(c) The Company following dissolution shall pay or make reasonable provision to pay all claims and obligations, including all contingent, conditional or unmatured claims and obligations, known to the Company and all claims and obligations which are known to the Company but for which the identity of the claimant is unknown. If there are sufficient assets, such claims and obligations shall be paid in full and any such provision for payment made shall be made in full. If there are insufficient assets, such claims and obligations shall be paid or provided for according to their priority and, among claims and obligations of equal priority, ratably to the extent of assets available therefor. Any remaining assets shall be distributed as provided in subsection (a). Any Liquidating Trustee winding up the affairs of the Company who has complied with this Section shall not be personally liable to the claimants of the dissolved Company by reason of such person's actions in winding up the Company.

Section 9.6 CANCELLATION OF CERTIFICATE. The Certificate of the Company shall be canceled upon the dissolution and the completion of winding up of the Company.

ARTICLE X

BOOKS; REPORTS TO MEMBERS; TAX ELECTIONS

Section 10.1 BOOKS AND RECORDS.

(a) The Managers shall maintain separate books of account for the Company which shall show a true and accurate record of all costs and expenses incurred, all charges made, all credits made and received and all income derived in connection with the conduct of the Company and the operation of its business, and, to the extent inconsistent therewith, in accordance with this Operating Agreement.

(b) Except as and until otherwise required by the IRC, the books of the Company shall be kept in accordance with the accrual method of accounting.

(c) Each Member of the Company has the right to obtain from the Company from time to time upon demand for any purpose reasonably related to the Member's interest as a Member of the Company:

(1) True and full information regarding the status of the business and financial condition of the Company.

(2) Promptly after they become available, a copy of the federal, state and local income tax returns for each year of the Company.

(3) A current list of the name and last known business, residence or mailing address of each Member and Manager.

(4) A copy of this Operating Agreement, the Certificate and all amendments thereto.

(5) Any information or report deemed necessary by either any Thrasher Affiliate or Bidder Member in order to prepare Securities and Exchange Commission filing documents, financial statements or tax returns.

(6) Other information regarding the affairs of the Company as is just and reasonable.

(d) Each Manager shall have the right to examine all of the information described in subsection (c) of this Section for a purpose reasonably related to its position as a Manager.

Section 10.2 TAX INFORMATION. Within ninety (90) days after the end of each Fiscal Year, the Company shall supply to each Member all information necessary and appropriate to be included in each Member's income tax returns for that year.

Section 10.3 BUSINESS PLANS. On or before November 30 of each year, the Managers of the Company shall, in consultation with Thrasher, develop a business plan and budget for the Company (including HoldCo Sub and OpCo) (the "Business Plan") for the following calendar year of HoldCo (and HoldCo Sub and OpCo) the Business Plan for the period between the Initial Closing Date and December 31, 2000 shall be mutually agreed upon by Thrasher and Bidder prior to the Initial Closing. The Business Plan for the period between the Effective Date and December 31, 2000 is attached hereto as Schedule D. Each subsequent Business Plan shall be submitted to the Members for review and, subject to the second following sentence, comment and shall be adopted only with the mutual consent of the Thrasher Members and Bidder Member. The Company shall use commercially reasonable efforts to, and cause each of HoldCo Sub and OpCo to, conduct their respective businesses in accordance with the then current Business Plan. If by the first date of any year the proposed Business Plan for that year has not been adopted, the Business Plan for such year shall be deemed to be the expense portion of the Business Plan in effect for the preceding year increased, at the discretion of Bidder Member, to an amount not to exceed the sum of.

(a) the average operating cost per communications tower owned by OpCo (or of which it has the economic benefit) (the "OpCo Towers") based on the most recent quarterly financial statements available as of the first day of the current year multiplied by fifty percent (50%) of the sum of (i) the aggregate number of OpCo Towers

constructed, completed or otherwise acquired in the course of the prior year and (ii) the aggregate number of OpCo Towers projected to be constructed, completed or otherwise acquired in the current year in the Business Plan for the prior year; and

(b) the sum of (x) with respect to all contractual price increases with respect to contracts and agreements to which OpCo is a party and all increases in Taxes with respect to OpCo Towers, the amount of such increase and (y) with respect to all other expense items in the previous year's budget, (A) the amount of such expenses multiplied by (B) the sum of one (1) plus an amount equal to the percentage increase in the CPI during the previous year.

If Thrasher and Bidder Member are unable to mutually agree on the Business Plan for the year commencing January 1, 2001, the Business Plan for such year shall be deemed to be the quotient of (a) the expense portion of the initial Business Plan for the period ending December 31, 2000, increased as contemplated by the foregoing sentence, multiplied by three hundred sixty-five (365) (b) divided by the number of days elapsed between the Effective Date and December 31, 2000 (including both the Effective Date and December 31, 2000).

Notwithstanding the foregoing, each Business Plan that is implemented pursuant to the foregoing two paragraphs of this Section 10.3 because Thrasher and Bidder Member are unable to mutually agree on the Business Plan must provide for the payment by OpCo, prior to the allocation of revenues pursuant to such two paragraphs, of: (i) any and all costs, expenses or payments reasonably necessary to fulfill OpCo's obligations under the Global Lease; (ii) any and all costs, expenses or payments reasonably necessary to fulfill OpCo's obligations under the Build-to-Suit Agreement; (iii) any and all taxes of any kind due and owing by OpCo; (iv) any payments or expenditures required under any lease of real estate, grant of easement, right of way or similar agreement to which OpCo is a party; (v) any and all costs, expenses or payments reasonably necessary to fulfill OpCo's obligations under any lease or sublease of tower space or real estate to any third party; (vi) insurance premiums (including without limitation, any payments pursuant to premium financing) and/or deductibles of OpCo; (vii) payments to third parties for equipment or any other goods and services required to perform OpCo's obligations under existing agreements including, without limitation, payments required to satisfy any mechanic's liens; (viii) salaries, commissions, compensation, benefits, and payments or obligations of a similar nature; and (ix) any and all costs, expenses and payments required to comply with, or payable pursuant to any applicable laws, rule, regulations, ordinances, permits or licenses. Further, any such Business Plan may have the effect of reducing amounts payable under the Management Agreement so long as the Incurred Debt, if any, remains outstanding.

Section 10.4 REPORTS. The Company shall cause to be prepared, and each Member furnished with, financial statements accompanied by a report thereon of the Company's accountants stating that such statements are prepared and fairly stated in all material respects in accordance with generally accepted accounting principles, and, to the

extent inconsistent therewith, in accordance with this Operating Agreement, including the following:

(a) within thirty (30) days of the end of each month, the Company shall deliver to the Thrasher Members and Bidder Member an unaudited income statement and schedule as to the sources and application of funds for such month and an unaudited balance sheet of the Company as of the end of such month, in reasonable detail and prepared in accordance with GAAP (except as permitted by Form 10-Q under the Securities Exchange Act of 1934, as amended (the "Exchange Act")), together with an analysis by management of the Company's financial condition and results of operations during such period and explanation by management of any differences between such condition or results and the budget and business plan for such period;

(b) as soon as practicable, but in any event within ninety (90) days after the end of each fiscal year of the Company, a consolidated income statement for such fiscal year, a consolidated balance sheet of the Company as of the end of such year, a schedule as to the cash flow and a statement of the Members' Capital Accounts, changes thereto for such fiscal year and Percentage Interests at the end of such year, such year-end financial reports to be in reasonable detail, prepared in accordance with GAAP and audited and certified by the Company's independent public accountants;

(c) as soon as practicable, but in any event within thirty (30) days after the end of each of the first three (3) quarters of each fiscal year of the Company, an unaudited consolidated profit or loss statement and schedule as to consolidated cash flow for such fiscal quarter and an unaudited consolidated balance sheet of the Company as of the end of such fiscal quarter, in reasonable detail and prepared in accordance with GAAP (except as permitted by Form I O-Q under the Exchange Act); and

(d) such other information relating to the financial condition, business, prospects or corporate affairs of the Company as any Member may from time to time reasonably request.

Section 10.5 TAX MATTERS PARTNER.

(a) GTE Wireless of Houston Incorporated (a Thrasher Member who is also an Initial Transferring Entity), is hereby appointed and shall serve as the tax matters partner of the Company (the "Tax Matters Partner") within the meaning of IRC (S)6231(a)(7) for so long as it is not the subject of a bankruptcy event as defined in Section 9.2 and otherwise is entitled to act as the Tax Matters Partner. The Tax Matters Partner may file a designation of itself as such with the Internal Revenue Service. The Tax Matters Partner shall (i) furnish to each Member affected by an audit of the Company income tax returns a copy of each notice or other communication received from the IRS or applicable state authority, (ii) keep such Member informed of any administrative or judicial proceeding, as required by Section 6223(g) of the Code, and (iii) allow such Member an opportunity to participate in all such administrative and judicial proceedings. The Tax Matters Partner shall take such action as may be reasonably necessary to

constitute the other Member a "notice partner" within the meaning of Section 6231(a)(8) of the Code, provided that the other Member provides the Tax Matters Partner with the information that is necessary to take such action; and

(b) The Company shall not be obligated to pay any fees or other compensation to the Tax Matters Partner in its capacity as such. However, the Company shall reimburse the expenses (including reasonable attorneys' and other professional fees) incurred by the Tax Matters Partner in such capacity. Each Member who elects to participate in Company administrative tax proceedings shall be responsible for its own expenses incurred in connection with such participation. In addition, the cost of any adjustments to a Member and the cost of any resulting audits or adjustments of a Member's tax return shall be borne solely by the affected Member; and

(c) The Company shall indemnify and hold harmless the Tax Matters Partner from and against any loss, liability, damage, cost or expense (including reasonable attorneys' fees) sustained or incurred as a result of any act or decision concerning Company tax matters and within the scope of such Member's responsibilities as Tax Matters Partner, so long as such act or decision was not the result of gross negligence, fraud, bad faith or willful misconduct by the Tax Matters Partner. The Tax Matters Partner shall be entitled to rely on the advice of legal counsel as to the nature and scope of its responsibilities and authority as Tax Matters Partner, and any act or omission of the Tax Matters Partner pursuant to such advice shall in no event subject the Tax Matters Partner to liability to the Company or any Member.

Section 10.6 TAX AUDITS/SPECIAL ASSESSMENTS. If the Tax return of either the Company or an individual Member with respect to an item or items of Company income, loss, deduction, etc., potentially affecting the Tax liability of the Members generally is subject to an audit by the Internal Revenue Service or similar state or local authority, the Managers may, in the exercise of their business judgment, determine that it is necessary to contest proposed adjustments to such return or items. If such a determination is made, the Managers will finance the contest of the proposed adjustments out of the Net Cash From Operations.

Section 10.7 TAX ELECTIONS. The Company will elect to amortize organizational costs. Upon the death of a Member, or in the event of the distribution of property, the Company may file an election, in accordance with applicable Treasury Regulations, to cause the basis of the Company's property to be adjusted for federal income tax purposes as provided by IRC (S)734, IRC (S)743 and IRC (S)754. The determination whether to make and file any such election shall be made by the Managers in their sole discretion.

ARTICLE XI

MISCELLANEOUS

Section 11.1 BINDING EFFECT. This Operating Agreement shall be binding upon the Thrasher Members and Bidder Member and any permitted transferee or permitted assignee of an interest in the Company.

Section 11.2 ENTIRE AGREEMENT. This Operating Agreement, the Certificate, the Formation Agreement and the other Transaction Documents contain the entire agreement of the parties hereto with respect to the subject matter hereof and supersede all prior understandings and agreements of the parties with respect thereto.

Section 11.3 AMENDMENTS. The Certificate and this Operating Agreement may not be amended except by the written agreement of all of the Members.

Section 11.4 CHOICE OF LAW. Notwithstanding the place where this Operating Agreement may be executed by any of the parties hereto, the parties expressly agree that all the terms and provisions hereof shall be construed under the laws of Delaware (without regard to any conflicts of law principles).

Section 11.5 NOTICES. Except as otherwise provided in this Operating Agreement, any notice, demand or communication required or permitted to be given by any provision, including the provisions of Section 4.10, of this Operating Agreement shall be deemed to have been sufficiently given or served for all purposes if delivered personally or sent by facsimile transmission or overnight express to the party or to an executive officer of the party to whom the same is directed or, if sent by registered or certified mail, postage and charges prepaid, addressed to the Member's or Company's address, as appropriate, which is set forth in this Operating Agreement or Schedule A hereto.

Section 11.6 HEADINGS. The titles of the Articles and the headings of the Sections of this Operating Agreement are for convenience of reference only and are not to be considered in construing the terms and provisions of this Operating Agreement.

Section 11.7 PRONOUNS. All pronouns shall be deemed to refer to the masculine, feminine, neuter, singular or plural, as the identity of the person or persons, firm or corporation may require in the contest thereof.

Section 11.8 WAIVERS. The failure of any party to seek redress for violation of or to insist upon the strict performance of any covenant or condition of this Operating Agreement shall not prevent a subsequent act, that would have originally constituted a violation, from having the effect of an original violation.

Section 11.9 SEVERABILITY. If any provision of this Operating Agreement or its application to any person or circumstance shall be invalid, illegal or unenforceable to any

extent, the remainder of this Operating Agreement and its application shall not be affected and shall be enforceable to the fullest extent permitted by law.

Section 11.10 NO THIRD PARTY BENEFICIARIES. None of the provisions of this Operating Agreement shall be for the benefit of or enforceable by any person other than the parties to this Agreement and their respective permitted successors and permitted transferees and assigns.

Section 11.11 INTERPRETATION. It is the intention of the Members that, during the term of this Operating Agreement, the rights of the Members and their successors-in-interest shall be governed by the terms of this Agreement, and that the right of any Member or successor-in-interest to assign, transfer, sell or otherwise dispose of any interest in the Company shall be subject to limitations and restrictions of this Operating Agreement.

Section 11.12 FURTHER ASSURANCES. Each Member shall execute all such certificates and other documents and shall do all such other acts as the Managers deem appropriate to comply with the requirements of law for the formation of the Company and to comply with any laws, rules, regulations and third-party-requests relating to the acquisition, operation or holding of the property of the Company.

Section 11.13 COUNTERPARTS. This Operating Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the undersigned Members, intending to be legally bound, have executed this Operating Agreement as of the date first above written.

GTE MOBILNET OF OHIO LIMITED PARTNERSHIP

By: GTE Mobilnet of Cleveland Incorporated,
its general partner

By:_____

Name:_____

Title:_____

Attest:_____

Name:_____

Title:_____

[Corporate Seal]

FLORIDA RSA #1B (NAPLES) LIMITED PARTNERSHIP

By: GTE Wireless of the South Incorporated,
its general partner

By:_____

Name:_____

Title:_____

Attest:_____

Name:_____

Title:_____

[Corporate Seal]

OHIO RSA #3 LIMITED PARTNERSHIP

By: GTE Mobilnet of Cleveland Incorporated,
its general partner

By:_____

Name:_____

Title:_____

Attest:_____

Name:_____

Title:_____

[Corporate Seal]

TEXAS RSA 10B3 LIMITED PARTNERSHIP

By: GTE Mobilnet of the Southwest Incorporated,
its general partner

By:_____

Name:_____

Title:_____

Attest:_____

Name:_____

Title:_____

[Corporate Seal]

GTE MOBILNET OF TEXAS RSA #11 LIMITED PARTNERSHIP

By: GTE Wireless of Houston Incorporated,
its general partner

By:_____

Name:_____

Title:_____

Attest:_____

Name:_____

Title:_____

[Corporate Seal]

GTE MOBILNET OF TEXAS RSA #16 LIMITED PARTNERSHIP

By: GTE Wireless of Houston Incorporated,
its general partner

By:_____

Name:_____

Title:_____

Attest:_____

Name:_____

Title:_____

[Corporate Seal]

GTE MOBILNET OF TEXASRSA #17 LILMITED PARTNERSHIP

By: GTE Wireless of Houston Incorporated,
its general partner

By:_____

Name:_____

Title:_____

Attest:_____

Name:_____

Title:_____

[Corporate Seal]

GTE MOBILNET OF TEXAS RSA #21 LIMITED PARTNERSHIP

By: GTE Wireless of Houston Incorporated,
its general partner

By:_____

Name:_____

Title:_____

Attest:_____

Name:_____

Title:_____

[Corporate Seal]

GTE WIRELESS OF THE SOUTH INCORPORATED

By:_____

Name:_____

Title:_____

Attest:_____

Name:_____

Title:_____

[Corporate Seal]

GTE WIRELESS OF HOUSTON INCORPORATED

By:_____

Name:_____

Title:_____

Attest:_____

Name:_____

Title:_____

[Corporate Seal]

GTE WIRELESS OF THE MIDWEST INCORPORATED

By:_____

Name:_____

Title:_____

Attest:_____

Name:_____

Title:_____

[Corporate Seal]

GTE WIRELESS OF THE PACIFIC
INCORPORATED

By:_____

Name:_____

Title:_____

Attest:_____

Name:_____

Title:_____

[Corporate Seal]

GTE MOBILNET OF CLEVELAND
INCORPORATED

By:_____

Name:_____

Title:_____

Attest:_____

Name:_____

Title:_____

[Corporate Seal]

CROWN CASTLE GT CORP.

By:_____

Name:
Title:

GTE WIRELESS INCORPORATED

By:_____________________________

Name:___________________________

Title:__________________________

Attest:_________________________

Name:___________________________

Title:__________________________

[Corporate Seal]

EXHIBIT 10.35

CONFORMED COPY

LOAN AMENDMENT AGREEMENT
(POUNDS)64,000,000 REVOLVING LOAN FACILITY
BEING AMENDED TO (POUNDS)150,000,000 TERM AND REVOLVING LOAN FACILITIES

DATE: 18th June, 1999

PARTIES

1. CASTLE TRANSMISSION INTERNATIONAL LTD. (formerly known as Castle Transmission Services Limited), a company incorporated in England (number 3196207), of Warwick Technology Park, Gallows Hill, Heathcote Lane, Warwick CV34 6TN, as borrower

2. CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD, a company incorporated in England (number 3242381), of Warwick Technology Park, Gallows Hill, Heathcote Lane, Warwick CV34 6TN and MILLENNIUM COMMUNICATIONS LIMITED, a company incorporated in England (number 2903056), of Warwick Technology Park, Gallows Hill, Heathcote Lane, Warwick CV34 6TN, as guarantors

3. THE LENDERS listed in Schedule 1, as lenders

4. CREDIT SUISSE FIRST BOSTON, as lead arranger

5. CREDIT LYONNAIS, THE INDUSTRIAL BANK OF JAPAN, LIMITED, THE ROYAL BANK OF SCOTLAND PLC AND SCOTIABANK EUROPE PLC, as arrangers

6. CREDIT SUISSE FIRST BOSTON, as agent (the "AGENT")

BACKGROUND

(A) On 28th February, 1997 the loan agreement (in the form it was in at that date) was entered into between the Borrower, the Parent, certain lenders, the Agent and others and under its terms the lenders agreed to provide term and revolving loan facilities of (Pounds)162,500,000 to the Borrower. On 21st May, 1997 the parties to the loan agreement (except Millennium) amended the loan agreement. Under the loan agreement (as amended at that date) the lenders under it agreed to provide revolving loan facilities of (Pounds)64,000,000 to the Borrower. These loan facilities are guaranteed by the Parent and secured by charges granted by the Borrower and the Parent. With effect from 27th October, 1998 Millennium acceded to the Existing Loan Agreement as an additional guarantor and acceded to the Debenture (in the form it was in at that date) as an additional chargor.

(B) At the request of the Borrower the parties have agreed to amend the terms of the Existing Loan Agreement on the terms of this Agreement.

The parties agree as follows:

CONFORMED COPY

1. INTERPRETATION

1.1 LOAN AGREEMENT

The interpretation provisions contained in Part I of the Amended Loan Agreement are deemed to be incorporated expressly in this Agreement, and apply to this Agreement accordingly.

1.2 DEFINITIONS

In this Agreement:

"AMENDMENT DATE" means 18th June, 1999

"AMENDED LOAN AGREEMENT" means the Existing Loan Agreement as it will be amended under the terms of this Agreement with effect from the Amendment Date and as set out in Schedule 2 to this Agreement.

"DEPOSIT CHARGE AMENDMENT AGREEMENT" means the deposit charge amendment agreement expected to be dated the same date as this Agreement and made between the Borrower and Credit Suisse First Boston.

"EXISTING LOAN AGREEMENT" means the loan agreement dated 28th February, 1997 as amended on 21st May, 1997 and as acceded to by Millennium, made between the Borrower, the Parent, the lenders named in it, Credit Suisse First Boston and others under which the lenders agreed to provide (Pounds)64,000,000 revolving loan facilities.

"LENDERS" means the lenders whose names are set out in Schedule 1 to this Agreement.

"INTER-COMPANY LOAN AMENDMENT AGREEMENT" means the agreement expected to be dated the same date as this Agreement and made between the Borrower and CT Finance which amends and restates the Inter-Company Loan Agreement.

"SUPPLEMENTAL AND AMENDMENT DEED" means the supplemental and amendment deed expected to be dated the same date as this Agreement which supplements and amends the Debenture.

1.3 SCOPE

This Agreement is supplemental to and amends the Existing Loan Agreement.

2. CONDITIONS PRECEDENT

2.1 CONDITIONS PRECEDENT

The Borrower agrees to deliver all the items listed in Schedule 3 to the Amended Loan Agreement to the Agent by 8.00 a.m. on the Amendment Date, in a form satisfactory to the Agent

2.2 REPAYMENT
The Amendment Date must be a date on which all the Advances outstanding under the Existing Loan Agreement are due to be repaid.

2.3 NOTICE OF BORROWING

The Borrower agrees to deliver to the Agent on or before the Amendment Date a notice of borrowing in accordance with the provisions of Clause 6 of the Amended Loan Agreement requesting a drawing of at least (Pounds)55,500,000 on the Amendment Date.

3. AMENDMENT OF THE LOAN AGREEMENT

3.1 NOTICE TO THE LENDERS

This Clause applies if:

(A) the Agent receives the items described in Clause 2.1 by 8.00 a.m. on the Amendment Date;

(B) the Agent receives the notice or notices of borrowing described in Clause 2.3 on or before the Amendment Date; and

(C) the requirements of Clause 6.4 of the Amended Loan Agreement are satisfied at the Amendment Date.

In this event the Agent will notify the Lenders of this in writing at the Amendment Date.

3.2 EFFECT OF NOTICE

With effect from the Agent giving (or being obliged to give) the notice described in Clause 3.1, each of the following will occur:

(A) The Existing Loan Agreement will be amended so that it will be read and construed as is set out in Schedule 2. The Existing Loan Agreement as amended will remain in full force and effect. References to the Loan

Agreement, however expressed, will be read and construed as references to both the Existing Loan Agreement as amended by this Agreement and (unless the context otherwise requires) to this Agreement.

(B) The Supplemental and Amendment Deed, the Deposit Charge Amendment Agreement and the Inter-Company Loan Amendment Agreement will take effect in accordance with their respective terms.

(C) Each Lender will advance its participation in the Advance or Advances requested in the notice or notices of borrowing described in Clause 2.3 on the Amendment Date. The Advance or Advances will be made under the terms of the Amended Loan Agreement.

(D) The Borrower will pay on the Amendment Date the amount of commitment fee which accrued but has not yet been paid under the Existing Loan Agreement as at the Amendment Date.

4. MISCELLANEOUS

4.1 EXPIRY

The obligations and rights constituted by this Agreement will be extinguished on the date one month after the date of this Agreement if the conditions set out in Clause 3.1 have not been satisfied on or prior to that date.

4.2 LAW

This Agreement is to be governed by and construed in accordance with English law.

4.3 COUNTERPARTS

There may be several signed copies of this Agreement. There is intended to be a single Agreement and each signed copy is a counterpart of that Agreement.

CONFORMED COPY

SIGNATURES

BORROWER

CASTLE TRANSMISSION INTERNATIONAL LTD.

Address: Warwick Technology Park,
Gallows Hill,
Heathcote Lane,
Warwick CV34 6TN.

Fax Number: 01926 416441

Attention: Company Secretary

By: ALAN REES

PARENT AND GUARANTOR

CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD

Address: Warwick Technology Park,
Gallows Hill,
Heathcote Lane,
Warwick CV34 6TN.

Fax Number: 01926 416 441

Attention: Company Secretary

By: ALAN REES

ADDITIONAL GUARANTOR

MILLENNIUM COMMUNICATIONS LIMITED

Address: Warwick Technology Park,
Gallows Hill,
Heathcote Lane,
Warwick CV34 6TN.

Fax Number: 01926 416 441

Attention: Company Secretary

By: ALAN REES

LEAD ARRANGER
- ---

CREDIT SUISSE FIRST BOSTON

By: IAN PIDDOCK JULIE GAVIN

ARRANGERS
- ---

CREDIT LYONNAIS

By: JULIE GAVIN AS ATTORNEY

THE INDUSTRIAL BANK OF JAPAN, LIMITED

By: JULIE GAVIN AS ATTORNEY

THE ROYAL BANK OF SCOTLAND PLC

By: JULIE GAVIN AS ATTORNEY

SCOTIABANK EUROPE PLC

By: JULIE GAVIN AS ATTORNEY

LENDERS
- ---

CREDIT SUISSE FIRST BOSTON

Address: Five Cabot Square, London, E14 4QR

Fax Number: 0171 888 8398

Telex Number: 887 322

Attention: Client Services Unit

CONFORMED COPY

By: IAN PIDDOCK JULIE GAVIN

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CREDIT LYONNAIS

	Operations Contact	Credit Contact
Address:	Broadwalk House, 5 Appold Street, London EC2A 2DA.	Broadwalk House, 5 Appold Street, London EC2A 2DA.
Fax Number:	0171 634 8353	0171 214 7159
Telex Number:	885479	885479
Attention:	Steve White	Simon Parker
By:	JULIE GAVIN AS ATTORNEY	

THE INDUSTRIAL BANK OF JAPAN, LIMITED

	Operations Contact	Credit Contact
Address:	Bracken House, One Friday Street, London EC4M 9JA.	Bracken House, One Friday Street, London EC4M 9JA.
Fax Number:	0171 815 2288/9	0171 815 2245
Telex Number:	886939 KOGINL G	886939 KOGINL G
Attention:	Mary Roe	Paul Dignam
By:	JULIE GAVIN AS ATTORNEY	

THE ROYAL BANK OF SCOTLAND PLC

	Operations Contact	Credit Contact
Address:	CBO, PO Box 450, 5-10 Great Tower St., London EC3P 3HX.	Waterhouse Square, 138-142 Holborn, London EC1N 2TH.
Fax Number:	0171 220 7370	0171 427 9920
Telex Number:	8956751	8956751
Attention:	Kevin Mann	Richard Green
By:	JULIE GAVIN AS ATTORNEY	

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SCOTIABANK EUROPE PLC

	Operations Contact	Credit Contact
Address:	Scotia House, 33 Finsbury Square, London EC2A 1BB.	Scotia House, 33 Finsbury Square, London EC2A 1BB.
Fax Number:	0171 826 5857	0171 826 5987
Telex Number:	885188/9	885188/9
Attention:	Anita Mills/Steven Caller	Paul Shanley/David Sparkes
By:	JULIE GAVIN AS ATTORNEY	

ALLIED IRISH BANKS PLC (LONDON BRANCH)

	Operations Contact	Credit Contact
Address:	12, Old Jewry, London EC2R 8DP.	AIB International Centre, IFSC Centre, Dublin 1, Ireland.
Fax Number:	0171 726 8735	00 353 1 829 0269
Attention:	Maura O Sullivan/ Marian Winger	Laurence Enderson/ Conor Geary
By:	JULIE GAVIN AS ATTORNEY	

THE GOVERNOR AND COMPANY OF THE BANK OF IRELAND
P.O. Box 27, Broad Quay, Bristol BS99 7AX

	Operations Contact	Credit Contact
Address:	BOIIF Loans Administration, Hume House, Ballsbridge, Dublin 4, Ireland.	Project Finance, Bank of Ireland International Finance, La Touche House, IFSC, Dublin 1, Ireland.
Fax Number:	00 353 1 618 7470	00 353 1 829 0129
Attention:	Edward Meagher	David Ryan/ Deiordre Flannery
By:	JULIE GAVIN AS ATTORNEY	

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THE GOVERNOR AND COMPANY OF THE BANK OF SCOTLAND

	Operations Contact	Credit Contact
Address:	Bank of Scotland International Division, 30 Queensferry Road, Edinburgh EH4 2UG.	Bank of Scotland International Division, 30 Queensferry Road, Edinburgh EH4 2UG.
Fax Number:	0131 343 7080	0131 343 7026
Attention:	Barry Cairns, Loans Administration	Stephen J. Green, Assistant Manager, Project & Specialised Finance
By:	JULIE GAVIN AS ATTORNEY	

BAYERISCHE LANDESBANK GIROZENTRALE, LONDON BRANCH

	Operations Contact	Credit Contact
Address:	Bavaria House, 13/14 Appold Street, London EC2A 2NB.	Bavaria House, 13/14 Appold Street, London EC2A 2NB.
Fax Number:	0171 955 5173	0171 955 5700
Telex Number:	886437	886437
Attention:	David Mellotte, Loan Administration	Paula Kirkland, Structured Finance
By:	JULIE GAVIN AS ATTORNEY	

DE NATIONALE INVESTERINGSBANK N.V., LONDON BRANCH

	Operations Contact	Credit Contact
Address:	22 Eastcheap, London EC3M 1LA.	22 Eastcheap, London EC3M 1LA.
Fax Number:	0171 929 4009	0171 929 4009
Telex Number:	920090	920090
Attention:	Simon Fish, Operations Manager	Andrew Kuyk, Manager
By:	JULIE GAVIN AS ATTORNEY	

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DEXIA PROJECT & PUBLIC FINANCE INTERNATIONAL BANK, LONDON BRANCH

	Operations Contact	Credit Contact
Address:	55 Tufton Street, Westminster, London SW1P 3QF.	55 Tufton Street, Westminster, London SW1P 3QF.
Fax Number:	0171 799 2117	0171 976 0976
Attention:	Justin Wyatt, Senior Manager, Operations	Victoria Derby, Manager, Project Finance
By:	JULIE GAVIN AS ATTORNEY	

THE FUJI BANK, LIMITED

	Operations Contact	Credit Contact
Address:	River Plate House, 7-11 Finsbury Circus, London EC2M 7DH.	River Plate House, 7-11 Finsbury Circus, London EC2M 7DH.
Fax Number:	0171 588 1400	0171 588 1400
Telex Number:	886352/886317 FUJIBK G	886352/886317 FUJIBK G
Attention:	Richard Hiscock, Manager, Credit & Loans Department	Robert Pettitt, Senior Manager, Corporate Relations Management Group
By:	ROBERT PETTITT	

KBC BANK N.V. LONDON BRANCH

	Operations Contact	Credit Contact
Address:	7th Floor, Exchange House, Primrose Street, London EC2A 2HQ.	KBC Finance Ireland, KBC House, International Financial Services Centre, Dublin 1, Republic of Ireland.
Fax Number:	0171 256 4846	00 353 1 670 0855
Attention:	Julian Wheeler/ Martin Clarke	Fiacra Nagle/ Alan Hudson
By:	JULIE GAVIN AS ATTORNEY	

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LLOYDS BANK PLC

	Operations Contact	Credit Contact
Address:	Bank House, Wine Street, Bristol BS1 2AM.	PO Box 787, 6-8 Eastcheap, London EC3M 1LL.
Fax Number:	0117 923 3367	0171 661 4852
Telex Number:	888301	888301
Attention:	Ted Roylance, Loans Administration	Dean Byrne/Guy Reeves, Corporate Banking
By:	DEAN BYRNE	

THE CO-OPERATIVE BANK P.L.C.

	Credit and Operations Contacts
Address:	PO Box 101, 1 Balloon Street, Manchester M60 4EP.
Fax Number:	0161 832 8274
Telex Number:	567274 COOPBKG
Attention:	Philip J. Basten, Business Development Manager
By:	JULIE GAVIN AS ATTORNEY

SOCIETE GENERALE, LONDON BRANCH

	Operations Contact	Credit Contact
Address:	SG House, 41 Tower Hill, London EC3N 4SG.	SG House, 41 Tower Hill, London EC3N 4SG.
Fax Number:	0171 638 6517	0171 680 9478
Attention:	Karen Schwartz	Sarah Grant
By:	JULIE GAVIN AS ATTORNEY	

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THE SUMITOMO BANK, LIMITED

	Operations Contact	Credit Contact
Address:	Temple Court, 11 Queen Victoria Street, London EC4N 4TA.	Temple Court, 11 Queen Victoria Street, London EC4N 4TA.
Fax Number:	0171 786 1569	0171 248 3187
Telex Number:	887667	887667
Attention:	Manager, Loans Administration	Neil Jones
By:	JULIE GAVIN AS ATTORNEY	

THE DAI-ICHI KANGYO BANK, LTD

	Operations Contact	Credit Contact
Address:	DKB House, 24 King William Street, London EC4R 9DB.	DKB House, 24 King William Street, London EC4R 9DB.
Fax Number:	0171 626 3648	0171 200 9494
Attention:	Christine Hawkins, Manager	Chris Williams, Senior Manager
By:	JULIE GAVIN AS ATTORNEY	

ULSTER BANK LIMITED

	Operations Contact	Credit Contact
Address:	Ulster Bank Markets, 11-16 Donegall Square East, Belfast BT1 5HD, Ireland.	Ulster Bank Markets, Ulster Bank Group Centre, George's Quay, Dublin 2, Ireland.
Fax Number:	00 353 1 608 4199	00 353 1 608 4145
Telex Number:	93980	93980
Attention:	Catherine Green/ Deidre Hammond	Niall Tuite/ Brendan Heneghan
By:	JULIE GAVIN AS ATTORNEY	

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AGENT
- -----
CREDIT SUISSE FIRST BOSTON

Address: Five Cabot Square,
London E14 4QR

Fax Number: 0171 888 8398

Attention: Agency Services Unit

By: IAN PIDDOCK JULIE GAVIN

CONFORMED COPY

SCHEDULE 1

LENDERS

Credit Suisse First Boston

Credit Lyonnais

The Industrial Bank of Japan, Limited

The Royal Bank of Scotland plc

Scotiabank Europe plc

Allied Irish Banks PLC (London Branch)

The Governor and Company of the Bank of Ireland

The Governor and Company of the Bank of Scotland

Bayerische Landesbank Girozentrale, London Branch

De Nationale Investeringsbank N.V., London Branch

Dexia Project & Public Finance International Bank, London Branch

The Fuji Bank, Limited

KBC Bank N.V., London Branch

Lloyds Bank Plc

The Co-operative Bank p.l.c.

Societe Generale, London Branch

The Sumitomo Bank Limited

The Dai-Ichi Kangyo Bank, Ltd

Ulster Bank Limited

CONFORMED COPY

SCHEDULE 2

AMENDED LOAN AGREEMENT

See following pages.

CONFORMED COPY

DATE: 28TH FEBRUARY, 1997 AS AMENDED ON 21ST MAY, 1997 AND ON 18TH JUNE, 1999

CASTLE TRANSMISSION INTERNATIONAL LTD.
AS BORROWER

CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD.

AND

MILLENNIUM COMMUNICATIONS LIMITED
AS GUARANTORS

THE LENDERS LISTED IN SCHEDULE 1

CREDIT SUISSE FIRST BOSTON
AS LEAD ARRANGER

CREDIT LYONNAIS
THE INDUSTRIAL BANK OF JAPAN, LIMITED
THE ROYAL BANK OF SCOTLAND PLC
AND
SCOTIABANK EUROPE PLC
AS ARRANGERS

CREDIT SUISSE FIRST BOSTON
AS AGENT

(Pounds)150,000,000 TERM AND REVOLVING LOAN FACILITIES WITH A EURO OPTION

Slaughter and May
35 BASINGHALL STREET
LONDON EC2V 5DB

(AGB/HZM)

CC983390.001

CONFORMED COPY

CONTENTS

CONFORMED COPY

DATE: 18th June, 1999

CASTLE TRANSMISSION INTERNATIONAL LTD.
AS BORROWER

CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD.

AND

MILLENNIUM COMMUNICATIONS LIMITED
AS GUARANTORS

THE LENDERS LISTED IN SCHEDULE 1

CREDIT SUISSE FIRST BOSTON
AS LEAD ARRANGER

CREDIT LYONNAIS
THE INDUSTRIAL BANK OF JAPAN, LIMITED
THE ROYAL BANK OF SCOTLAND PLC
SCOTIABANK EUROPE PLC
AS ARRANGERS

CREDIT SUISSE FIRST BOSTON
AS AGENT

LOAN AMENDMENT AGREEMENT

(Pounds)64,000,000 REVOLVING LOAN FACILITY

BEING AMENDED TO (Pounds)150,000,000 TERM AND REVOLVING LOAN FACILITIES

SLAUGHTER AND MAY
35 BASINGHALL STREET
LONDON

EC2V 5DB

(AGB/HZM)

CONFORMED COPY

LOAN AGREEMENT

DATE: 28th February, 1997 as amended on 21st May, 1997 and on 18th June, 1999

PARTIES

1. CASTLE TRANSMISSION INTERNATIONAL LTD. (formerly known as Castle Transmission Services Limited), a company incorporated in England (number 3196207), of Warwick Technology Park, Gallows Hill, Heathcote Lane, Warwick CV34 6TN, as borrower

2. CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD., a company incorporated in England (number 3242381), of Warwick Technology Park, Gallows Hill, Heathcote Lane, Warwick CV34 6TN and MILLENNIUM COMMUNICATIONS LIMITED, a company incorporated in England (number 2903056), of Warwick Technology Park, Gallows Hill, Heathcote Lane, Warwick CV34 6TN, as guarantors

3. THE LENDERS listed in Schedule 1, as lenders

4. CREDIT SUISSE FIRST BOSTON, as lead arranger

5. CREDIT LYONNAIS, THE INDUSTRIAL BANK OF JAPAN, LIMITED, THE ROYAL BANK OF SCOTLAND PLC and SCOTIABANK EUROPE PLC as arrangers

6. CREDIT SUISSE FIRST BOSTON, as agent

BACKGROUND

(A) At the request of the Borrower the Lenders are willing to provide a (Pounds)100,000,000 revolving facility which will convert into a term loan facility on the third anniversary of the Amendment Date and a (Pounds)50,000,000 revolving loan facility to the Borrower on the terms of this Agreement. The loan facilities will contain a euro option. In addition, the loan facilities are to be guaranteed by the Guarantors and secured by the Charges granted by the Borrower and the Guarantors.

(B) The Borrower has utilised all the amounts advanced to it under this Agreement before the Amendment Date for the purpose of acquiring "DTT Equipment", as defined in the Bonds.

The parties agree as follows:

PART I: INTERPRETATION

1. INTERPRETATION AND CALCULATIONS

1.1 DEFINITIONS

In this Agreement:

"ADVANCE" means an advance made, or to be made, under Clause 6.

"ADVANCE DATE" means the date, or proposed date, of an Advance.

"AGENT" means Credit Suisse First Boston, in its capacity as agent for the Lenders, acting through its office at Five Cabot Square, London E14 4QR or any other office in England which it may notify to the Borrower and the Lenders. If there is a change of Agent in accordance with Clause 22.12, "AGENT" will instead mean the new Agent appointed under that Clause.

"AMENDMENT DATE" has the meaning described in Clause 0.

"ANALOGUE TRANSMISSION AGREEMENT" means the agreement between the Borrower and the BBC dated 27th February, 1997 as amended by an amending agreement dated 16th July, 1998 relating to the analogue transmission by the Borrower of television and radio programmes produced by the BBC.

"ANALOGUE TRANSMISSION BUSINESS" means the business previously carried on by the BBC and assumed by the Borrower under the transfer scheme dated 24th February, 1997 made by the BBC in favour of, among others, the Borrower. This business is the provision of broadcasting, transmission and signal distribution services for radio and analogue television.

"APPLICABLE MARGIN" means the rate determined in accordance with Clause 8.8.

"ARRANGERS" means each of Credit Suisse First Boston in its capacity as lead arranger and Credit Lyonnais, The Industrial Bank of Japan, Limited, The Royal Bank of Scotland plc and Scotiabank Europe Plc, in their capacities as arrangers of the Facilities.

"AUTHORISED PERSON" means a person authorised to sign documents on behalf of a Company under this Agreement by virtue of a resolution of the directors of that Company a certified copy of which has been delivered to the Agent. A person will cease to be an "AUTHORISED PERSON" upon notice by the appointing Company to the Agent.

"AVAILABLE COMMITMENT" means Available Facility A Commitment or Available Facility B Commitment or both.

"AVAILABLE FACILITY A COMMITMENT" means the amount of a Lender's Facility A Commitment which is available for the Borrower. On any day, it is the Facility A Commitment of that Lender less that Lender's participation in all outstanding Facility A Advances. Participations in Facility A Advances in the Optional Currency will be taken at their Original Sterling Amount.

"AVAILABLE FACILITY B COMMITMENT" means the amount of a Lender's Facility B Commitment which is available to the Borrower. On any day it is that Lender's Facility B Commitment on that day less that Lender's aggregate participation in all outstanding Facility B Advances. Participations in Facility B Advances in the Optional Currency will be taken at their Original Sterling Amount.

"BBC" means The British Broadcasting Corporation.

"BBC DTT TRANSMISSION AGREEMENT" means the DTT transmission agreement entered into between the Borrower and BBC dated 10th February, 1998 under which the Borrower has agreed to provide, amongst other things, distribution and transmission services to the BBC in relation to multiplex facilities for DTT.

"BONDS" means the (Pounds)125,000,000 Guaranteed Bonds due 2007 issued on 21st May, 1997 by CT Finance.

"BORROWER" means Castle Transmission International Ltd., the first party to this Agreement.

"BORROWER'S GROUP" means:

(A) if the Borrower has no Subsidiaries, the Borrower; and

(B) if the Borrower has Subsidiaries, the Borrower and its Subsidiaries taken as a whole.

"BORROWER'S RESTRICTED GROUP" has the meaning described in Clause 19.1.

"BUSINESS DAY" means a day on which banks are open for inter-bank payments in London.

"CCIC" means Crown Castle International Corporation.

"CCIC AFFILIATE" means a wholly-owned Subsidiary of CCIC other than a member of the Borrower's Group.

"Certifying Financial Officer" means:

(A) the senior financial officer of the Borrower; or

(B) any other person authorised to sign certificates under this Agreement on behalf of the Borrower in place of the senior financial officer and who is so authorised by virtue of a resolution of the directors of the Borrower (a certified copy of which has been delivered to the Agent).

"CHARGED ACCOUNT" means the account of the Borrower with the Agent which is the subject of the Deposit Agreement and Charge on Cash Deposits.

"CHARGES" means:

(A) the Debenture;

(B) the Deposit Agreement and Charge on Cash Deposits;

(C) each deed of accession executed and delivered pursuant to Clause 28.2 of the Debenture including the deed of accession entered into between Millennium, the Parent and the Agent as of 27th October, 1998;

(D) any other document creating in any foreign jurisdiction a form of security similar to that created under the Debenture in a form satisfactory to the Agent but which shall not contain terms materially more onerous than the Debenture;

(E) the Scottish Charge;

(F) the Northern Irish Charge; and

(G) any other document executed in accordance with the terms of a "CHARGE" or this Agreement and expressed to be, or to be supplemental to, a Charge.

"COMMITMENTS" means Facility A Commitments and Facility B Commitments.

"COMPANY" means any of the Borrower and each Guarantor.

"CONTRACT OF SERVICES" means the contract of services in the agreed form between the Borrower and CCIC.

"CONVERSION DATE" means the third anniversary of the Amendment Date. If this date is not a Business Day the "CONVERSION DATE" will instead be the next Business Day, unless that day is in another calendar month. Where it is in another calendar month that "CONVERSION DATE" will instead be the preceding Business Day.

"CONVERTED FACILITY A ADVANCE" means a Facility A Advance(s) outstanding with effect from the Conversion Date or any Facility A Advance into which this Converted Facility A Advance is split or consolidated in accordance with Clause 8.1(B).

"COSTS RATE" means a rate per annum determined by the Agent and notified to the Borrower. This rate will be applied to an outstanding amount in sterling for a particular period. It will be calculated in accordance with Schedule 2.

"CT FINANCE" means Castle Transmission (Finance) plc (a company incorporated in England and Wales with registered number 3347387).

"DEBENTURE" means the debenture creating fixed and floating charges or, in the case of the Parent, a charge over the shares held by it in the Borrower dated 28th February, 1997 and made between the Parent, the Borrower and Credit Suisse First Boston as trustee for the Lenders as acceded to by Millennium as of 27th October, 1998 and as supplemented and amended by the Supplemental and Amendment Deed.

"DEBT COVERAGE" has the meaning described in Clause 19.1.

"DEPOSIT AGREEMENT AND CHARGE ON CASH DEPOSITS" means the agreement dated 28th February, 1997 and amended with effect from 21st May, 1997 and further amended by the Deposit Charge Amendment Agreement with effect from the Amendment Date and made between the Borrower as depositor and Credit Suisse First Boston as agent and trustee for the Lenders.

"DEPOSIT CHARGE AMENDMENT AGREEMENT" means the agreement dated on or before the Amendment Date and made between the Borrower as depositor and Credit Suisse First Boston as agent and trustee for the Lenders amending the Deposit Agreement and Charge on Cash Deposits (as in effect before the Amendment Date).

"DISTRIBUTION" means any dividend or other distribution (as defined in section 263(2) of the Companies Act 1985, but ignoring section 263(2)(b)) or any loan to shareholders.

"DTT" means digital terrestrial television.

"DTT TRANSMISSION BUSINESS" means the business of providing DTT distribution and transmission services.

"EBITDA" has the meaning described in Clause 19.1.

"EMU LEGISLATION" means the legislative measures of the Council of the European Union providing for the introduction of, changeover to, or operation of, the euro.

"EQUITY CONSORTIUM" means CCIC, TeleDiffusion de France International S.A., Berkshire Partners LLC and funds managed by it and Candover Investments plc and funds managed by it.

"EQUIVALENT AMOUNT" means the amount in the Optional Currency equivalent to a specified amount in sterling. The "EQUIVALENT AMOUNT" will be calculated using the Exchange Rate applicable to the date on which the amount in the Optional Currency is to be or was advanced.

"EURIBOR" means a rate per annum determined by the Agent and notified to the Borrower. This rate will be applied to an outstanding amount in euros for a particular period. It will be determined as follows:

(A) "EURIBOR" will be the Screen Rate for deposits in euro for that period. This rate will be determined at or about 11.00 a.m. (Brussels time) on the Rate Fixing Date relating to the first day of that period.

(B) If there is no Screen Rate for euro for that period, "EURIBOR" will be calculated using the rate at which deposits in euro are offered to the Reference Banks for that period by leading banks in the European inter-bank market. Each Reference Bank will notify the Agent of this rate when requested by the Agent. The rate notified will be the rate as at 11.00 a.m. (Brussels time) on the Rate Fixing Date relating to the first day of that period. The Agent will calculate the arithmetic mean of these rates, rounded upwards to five decimal places. This will be "EURIBOR" for the period. If fewer than two Reference Banks provide the Agent with notifications for a particular period, this method of determining "EURIBOR" will not be used for that period and Clause 11.3 will apply instead.

"EURO" or "E" means the single currency of the participating member states in the Third Stage.

"EURO UNIT" means a unit of the euro as defined in the EMU legislation.

"EXCEPTIONAL ITEMS" has the meaning described in Clause 19.1.

"EXCESS CASH FLOW" has the meaning described in Clause 10.3(G).

"EXCHANGE RATE" means a rate of exchange for converting an amount in sterling into an amount in the Optional Currency. The "EXCHANGE RATE" applicable to any date will be the Agent's spot rate for the purchase of euro using sterling at or around 11.00 a.m. on the third Business Day before that date.

"EXTRAORDINARY ITEMS" has the meaning described in Clause 19.1.

"FACILITIES" means the loan facilities provided by this Agreement.

"FACILITY A" means the loan facility described in Clause 2.1(A).

"FACILITY A ADVANCE" means an Advance made or outstanding, or to be made, under Facility A.

"FACILITY A COMMITMENT" means the amount which each Lender has committed to Facility A. Each Lender's initial "FACILITY A COMMITMENT" is the amount set out next to its name in the column numbered (1) of Schedule 1. This may be reduced or revised in accordance with this Agreement. In addition the amount of a Lender's "FACILITY A COMMITMENT" may be adjusted by assignments and assumptions in accordance with Clause 25.2 and novations in accordance with Clause 25.3.

"FACILITY A COMMITMENT AVAILABILITY TERMINATION DATE" means the Conversion Date or, if earlier, the date Facility A is cancelled in full in accordance with the terms of this Agreement.

"FACILITY A LOAN" means the principal amount borrowed and not repaid under Facility A.

"FACILITY A REPAYMENT DATE" means each of the nine dates set out in Clause 9.3. If any of those dates is not a Business Day that "FACILITY A REPAYMENT DATE" will instead be the next Business Day, unless that day is in another calendar month. Where it is in another calendar month that "FACILITY A REPAYMENT DATE" will instead be the preceding Business Day.

"FACILITY B" means the revolving loan facility described in Clause 2.1(B).

"FACILITY B ADVANCE" means an Advance made, or to be made, under the Facility B.

"FACILITY B COMMITMENT" means the amount which a Lender has committed to Facility B. Each Lender's initial "FACILITY B COMMITMENT" is the amount set out next to its name in the column numbered (2) of Schedule 1. This may be reduced or revised in accordance with this Agreement. In addition the amount of a Lender's "FACILITY B COMMITMENT" may be adjusted by assignments and assumptions in accordance with Clause 25.2 and novations in accordance with Clause 25.3.

"FACILITY B LOAN" means the principal amount borrowed and not repaid under Facility B.

"FACILITY TERMINATION DATE" means the seventh anniversary of the Amendment Date or, if earlier, the first date on which both Facility A is cancelled in full and Facility B is cancelled in full, in either case, in accordance with the terms of this Agreement.

"FINANCIAL INDEBTEDNESS" has the meaning described in Clause 19.1.

"FINANCIAL MODEL" means the management case model dated 9th June, 1999 which is described on its face as "Management Case, printed on 9th June, 1999 at 11.49 a.m." in the agreed form.

"FINANCING DOCUMENT" means each of this Agreement and each Charge (and includes each amending agreement relating to any of them).

"FIXED CHARGE COVERAGE SERVICE RATIO" has the meaning described in Clause 19.1.

"FURTHER ACQUISITION" has the meaning described in Clause 20.1(L).

"GENERALLY ACCEPTED ACCOUNTING PRINCIPLES" means, at any time, accounting principles generally accepted and adopted in England at such time.

"GROUP" means the Parent and its Subsidiaries.

"GUARANTEE" means the guarantee of amounts due under this Agreement contained in Clause 15.

"GUARANTOR" means:

(A) the Parent, Millennium and each Restricted Subsidiary which has become an additional guarantor in accordance with Clause 20.1(R); and

(B) the Borrower in respect of the obligations of each Restricted Subsidiary under an Overdraft Bank Agreement.

"HEDGING BANK" means any Lender or any affiliate of any Lender which is from time to time a party to a Hedging Contract.

"HEDGING BANK AGREEMENT" means an agreement substantially in the form of Schedule 10.

"HEDGING CONTRACT" means a contract entered into by the Borrower as part of its implementation of the Hedging Policy and includes all transactions entered into under that contract.

"HEDGING POLICY" means the hedging policy of the Borrower and in a form satisfactory to the Agent which is delivered by the Borrower under paragraph 17 of Schedule 3.

"HOLDING COMPANY" has the meaning described in section 736 of the Companies Act 1985.

"INDEBTEDNESS FOR BORROWED MONEY" of any person means:

(A) all obligations of that person for borrowed money,

(B) any indebtedness under any acceptance credit opened on behalf of that person,

(C) the face amount of any bills of exchange (issued for the purposes of raising finance) for which that person is liable,

(D) all obligations of that person under any bond, debenture, note or similar instrument (but excluding any of the same which are issued in connection with the performance of obligations under contracts which are not payment obligations),

(E) all obligations of that person in respect of any interest rate or currency swap or forward currency sale or purchase or other form of interest or currency hedging transaction (including without limit caps, collars and floors),

(F) all payment obligations of that person under any finance lease,

(G) all liabilities of that person (actual or contingent) under any guarantee, bond, security, indemnity or other agreement in respect of any Indebtedness for Borrowed Money of any other person, and

(H) any other liability (actual or contingent) undertaken by that person for the purpose of raising finance.

"INFORMATION MEMORANDUM" means the information memorandum dated May, 1999 prepared to assist in the syndication of the Facilities.

"INSTRUCTING GROUP" means Lenders whose Facility A Commitments and Facility B Commitments in aggregate exceed 66.6% of the total. If, however, an Advance has been made "INSTRUCTING GROUP" means Lenders whose participations in the Loan in aggregate exceed 66.6%. The amount of participations in Advances in the Optional Currency will be taken at their Original Sterling Amount.

"INTER-COMPANY LOAN AGREEMENT" means the inter-company loan agreement dated 21st May, 1997, between CT Finance and the Borrower as amended on or around the Amendment Date.

"INTEREST" has the meaning described in Clause 19.1.

"INTEREST PERIOD" means each period described in Clause 8.1.

"INVESTMENT AMOUNTS" means, in relation to any period, the aggregate of:

(A) Indebtedness for Borrowed Money incurred by, provided by or otherwise made available during that period by members of the Borrower's Restricted Group in

relation to Unrestricted Entities. For this purpose any contingent liabilities will be taken at their maximum amount;

(B) loans or other credit provided during that period by members of the Borrower's Restricted Group (to the extent not already included in paragraph (A) and with any contingent liabilities taken at their maximum amount);

(C) any investments made during that period by members of the Borrower's Restricted Group; and

(D) consideration paid during that period by members of the Borrower's Restricted Group in respect of Further Acquisitions. For this purpose the aggregate consideration paid will include any deferred purchase price payable (which, in the case of any earn-out, will be a fair estimate of the value of this earn-out) and any fair estimate of contingent costs or liabilities assumed in connection with the Further Acquisition (which shall include, in the case of joint ventures, any obligation of the type referred to in Clause 20.1(L)(i)(c)) details of which, in each case, must be set out in reasonable detail in the certificate delivered to the Agent by the Certifying Financial Officer under Clause 18.1(n). To the extent that amounts have already been taken into account in respect of any deferred purchase price payable or contingent costs or liabilities assumed these amounts will not be again taken into account during the period when they are paid,

in each case, calculated so as to eliminate any double counting.

"LENDER" means a lender listed in Schedule 1 acting through the office appearing under its name on the signature pages or any other office in the United Kingdom which it may notify to the Agent. A lender which acquires an interest in the Facilities by way of assignment or novation will become a "LENDER" and will act through its office notified to the Agent. The expression also includes a successor in title to a Lender. A Lender will cease to be a "LENDER" if it assigns or novates its entire interest in the Facilities.

"LENDER GROUP COMPANY" means a Lender or any Holding Company of a Lender.

"LIBOR" means a rate per annum determined by the Agent and notified to the Borrower. This rate will be applied to an outstanding amount in sterling for a particular period. It will be determined as follows:

(A) "LIBOR" will be the Screen Rate for deposits in sterling for that period. This rate will be determined at or about 11.00 a.m. on the Rate Fixing Date relating to the first day of that period.

(B) If there is no Screen Rate for deposits in sterling for that period, "LIBOR" will be calculated using the rate at which deposits in sterling are offered to the Reference Banks for that period by leading banks in the London inter-bank market. Each Reference Bank will notify the Agent of this rate when requested by the Agent. This rate will be determined at or about 11.00 a.m. on the Rate Fixing Date relating to the first day of that period. The Agent will calculate the arithmetic mean of these rates rounded upwards to five decimal places. This will be "LIBOR" for the period. If fewer than two Reference Banks provide the Agent with notifications for a particular period, this method of determining "LIBOR" will not be used for that period and Clause 11.3 applies.

"LOAN" means the aggregate principal amount borrowed and not repaid under the Facilities.

"MATERIAL CONTRACT" means each Transmission Agreement, the NTL Site Sharing Agreement and any other contract generating 10% or more of the Borrower's gross

revenues (measured annually on the basis of the latest set of annual audited accounts of the Borrower delivered to the Agent under Clause 18.1(a)).

"MILLENNIUM" means Millennium Communications Limited, one of the second parties to this Agreement.

"NATIONAL CURRENCY UNIT" or "NCU" means a unit of the euro (other than the euro unit) as defined in the EMU legislation.

"NET CASH INTEREST" has the meaning described in Clause 19.1.

"NET DISPOSAL PROCEEDS" means, in respect of a disposal, the gross proceeds of that disposal minus:

(A) reasonable costs of the disposal;

(B) liabilities (including, without limitation, liabilities to the BBC) which are required to be discharged as a result of the disposal (other than liabilities incurred in contemplation of it);

(C) provisions which the directors reasonably determine need to be made for taxes arising as a result of the disposal; and

(D) where the asset which is the subject of the disposal is being replaced, the cost of the replacement asset to the extent that it is acquired for cash within the period 6 months before or after the disposal.

If the "NET DISPOSAL PROCEEDS" would be a negative number it will be taken to be zero. Where a disposal is made for non-cash consideration, the gross proceeds of that disposal will be calculated as the market value of the assets disposed of, as certified to the Agent by the Borrower and, if the Agent requests, the Borrower's auditors.

"NEW SUBSIDIARY" has the meaning given to it in Clause 20.1(R)(ii).

"NORTHERN IRISH CHARGE" means the agreement to be executed after the Amendment Date and made by the Borrower in favour of the Agent creating a first fixed charge over certain real properties located in Northern Ireland.

"NTL SITE SHARING AGREEMENT" means the deed dated 10th September, 1991 between National Transcommunications Limited and the BBC relating to site sharing.

"ONDIGITAL" means ONDIGITAL PLC (formerly known as British Digital Broadcasting PLC).

"ONDIGITAL DTT TRANSMISSION AGREEMENT" means the DTT transmission agreement entered into between the Borrower and ONDIGITAL dated 18th December, 1997 under which the Borrower has agreed to provide, amongst other things, distribution and transmission services to ONDIGITAL in relation to three multiplex facilities for DTT.

"OPTIONAL CURRENCY" means euro.

"ORIGINAL STERLING AMOUNT" means the sterling equivalent of an amount in the Optional Currency. The "ORIGINAL STERLING AMOUNT" will be derived by using the Exchange Rate applicable to the date on which the amount in the Optional Currency is to be or was advanced.

"OVERDRAFT BANK" means any Lender or any affiliate of any Lender which from time to time provides Overdraft Facilities.

"OVERDRAFT BANK AGREEMENT" means an agreement substantially in the form of Schedule 9.

"OVERDRAFT FACILITIES" means any overdraft facilities (which may be in sterling or other currencies) provided to the Borrower or any other member of the Borrower's Restricted Group by Overdraft Banks which have signed Overdraft Bank Agreements with the Borrower or, as the case may be, the other member of the Borrower's Restricted Group.

"PARENT" means Castle Transmission Services (Holdings) Ltd., one of the second parties to this Agreement.

"PARTICIPATING MEMBER STATES" means those member states of the European Union from time to time which adopt a single, shared currency in the Third Stage, as defined and identified in the EMU legislation.

"POTENTIAL TERMINATION EVENT" means an event or state of affairs which is mentioned in Clause 21.1 but which has not become a Termination Event because a period has not elapsed or a notice has not been given.

"QUARTER" means a financial quarter of the Borrower's financial year.

"RATE FIXING DATE" means the day on which quotes are customarily taken for the relevant period:

(A) in the case of LIBOR, for deposits in sterling in the London inter-bank market; or

(B) in the case of EURIBOR, for deposits in euros in the European inter-bank market,

in either case for delivery on the Advance Date (which, in relation to euro, means a day on which the Trans-european Automated Real time Gross settlement Express Transfer system (TARGET) is open).

"Reference Banks" means, initially, the principal London (or, in the case of an amount in euros, Brussels) offices of Credit Suisse First Boston, The Royal Bank of Scotland plc and Scotiabank Europe plc. The Agent, following consultation with the Borrower and the Lenders, may replace a "REFERENCE BANK" with another Lender or an affiliate of a Lender. This replacement will take effect when notice is delivered to the Borrower and the Lenders.

"RESTRICTED SUBSIDIARY" means any Subsidiary of the Borrower which is not then an Unrestricted Subsidiary and which, accordingly, is either:

(A) required to become a Guarantor for the purposes of Clause 20.1(R); or

(B) not required to become a Guarantor for the purposes of Clause 20.1(R) as a result of Clause 20.1(R)(v).

"Scottish Charge" means the agreement to be executed after the Amendment Date and made by the Borrower in favour of the Agent creating a first fixed charge over certain real properties located in Scotland.

"SCREEN RATE" means the rate shown on:

(A) in the case of LIBOR, Telerate page 3750; or

(B) in the case of EURIBOR, Telerate page 248.

If either of these pages is replaced by another which displays the rates for inter-bank deposits offered by leading banks in London (in the case of LIBOR) or Europe (in the case of EURIBOR) the Agent may nominate an alternative page for the affected page.

"SECURITY" means security of any type created or existing over any asset. "SECURITY" will also include retention of title arrangements, rights to retain possession and any arrangement providing a creditor with a prior right to an asset, or its proceeds of sale, over other creditors in a liquidation.

"SHARE SALE AGREEMENT" means the Share Sale Agreement dated 23rd January, 1997 and made between the BBC and the Parent concerning the acquisition by the Parent of the Borrower. It also includes any disclosure letters.

"SHAREHOLDERS AGREEMENT" means the Shareholders' Agreement dated 21st August, 1998 (replacing a shareholders agreement dated 23rd January, 1997) and made between CCIC, TeleDiffusion de France International S.A. and the Parent and to which Digital Future Investments B.V. acceded and replaced TeleDiffusion de France International S.A. as a party under a deed of adherence dated 6th April, 1999.

"SUBORDINATED LOAN AGREEMENT" means the agreement dated 27th February, 1997 between the Borrower, the Parent and the Agent relating to the provision of subordinated loans by the Parent to the Borrower.

"SUBSIDIARY" has the meaning described in section 736 of the Companies Act 1985.

"SUBSTITUTION CERTIFICATE" means a document substantially in the form set out in Schedule 4.

"SUPPLEMENTAL AND AMENDMENT DEED" means the deed dated on or before the Amendment Date and made between the Parent, the Borrower, Millennium and Credit Suisse First Boston as trustee for the Lenders supplementing and amending the Debenture (as in effect before the Amendment Date).

"TDF ROLL-UP" has the meaning described in Clause 20.1(EE).

"TERMINATION EVENT" has the meaning described in Clause 21.1.

"THIRD STAGE" means the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community (as amended from time to time).

"TOTAL ANNUAL INVESTMENT LIMIT" means, in each financial year, the figure which is 10% of the gross assets of the Borrower's Restricted Group (as shown in the latest set of annual audited consolidated financial statements delivered to the Agent under Clause 18.1(b) at the time the relevant calculation in respect of the financial year in question is being made).

"TOTAL FACILITY A COMMITMENTS" means the aggregate of the Facility A Commitments of all the Lenders.

"TOTAL FACILITY B COMMITMENTS" means the aggregate of the Facility B Commitments of all the Lenders.

"TOTAL INTEREST PAYABLE" has the meaning described in Clause 19.1.

"TRANSMISSION AGREEMENTS" means the Analogue Transmission Agreement, the BBC DTT Transmission Agreement and the ONDIGITAL DTT Transmission Agreement or such one of them as the context requires.

"UNRESTRICTED ENTITY" means Unrestricted Subsidiaries and any other entity in which a member of the Restricted Group holds a less than majority interest.

"UNRESTRICTED ENTITIES INVESTMENT LIMIT" means, at any time, the figure which is 10% of the gross assets of the Borrower's Restricted Group (as shown in the latest set of annual audited consolidated financial statements delivered to the Agent under Clause 18.1(b) at the time the relevant calculation in respect of the financial year in question is being made).

"UNRESTRICTED SUBSIDIARY" has the meaning described in Clause 20.1(R)(ii).

"YEAR 2000 PROGRAMME REPORT" means the report issued by the Borrower on 1st June, 1999 in relation to Year 2000 readiness (as amended and updated from time to time).

1.2 INTERPRETATION OF CERTAIN REFERENCES
Unless a contrary intention is indicated:

(A) References to Clauses and Schedules are to Clauses of, and the Schedules to, this Agreement. References to paragraphs are to paragraphs in the same sub-clause. References to sub-paragraphs are to sub-paragraphs in the same paragraph.

(B) References to other documents include those documents as they may be amended in the future.

(C) References to times are to London time.

(D) References to assets are to present and future assets and include revenues.

(E) References to "(Pounds)", to "POUNDS" and to "STERLING" are to UK pounds sterling.

(F) References to fees or expenses include any value added tax on those fees or expenses.

(G) References to statutes and statutory instruments are to those statutes and statutory instruments as amended and in force from time to time.

(H) References to any document in "AGREED FORM" are to that document in the form agreed between the parties, as evidenced by the form of that document being initialled for the purpose of identification by Norton Rose and Slaughter and May.

(I) References to a "FINANCIAL YEAR" of the Borrower are references to a year starting on 1st January and ending on 31st December. This applies even where the Borrower's statutory accounting reference date is a date other than 31st December.

(J) References to:

(i) "THIS AGREEMENT" are references to the Loan Agreement dated 28th February, 1997 between the Borrower, the Parent, the Lenders, the Agent and others as amended by the amendment agreements dated 21st May, 1997 and 18th June, 1999 and as supplemented by the additional guarantor agreement dated with effect from 27th October, 1998 under which Millennium acceded as a party to this Agreement.

However, the reference to "this Agreement" in Clause 2.2(A) is to the Loan Agreement referred to above before the Amendment Date.

(ii) the "AMENDMENT DATE" are references to the date on which the second amendment to this Agreement becomes effective, which is expected to be 18th June, 1999.

1.3 HEADINGS

All headings and titles are inserted for convenience only. They are to be ignored in the interpretation of this Agreement.

1.4 CALCULATIONS

Interest and commitment fee will be calculated using the following formula:

$$I = D/Y \times R \times A$$

where:

I = interest or commitment fee accrued

D = number of days in the period for which the interest or commitment fee is to be calculated, including the first day but excluding the last day

R = the rate of interest or commitment fee, expressed as a fraction

A = the amount on which interest or commitment fee is being calculated

Y = 365 or, in the case of an amount in euro, 360.

Interest and commitment fee will be treated as accruing uniformly over each period on a daily basis.

In some cases "R" or "A" may change during a period for which interest and commitment fee is to be calculated. In this case the interest and commitment fee will be calculated for successive periods and then aggregated. These successive periods will be the periods during which "R" and "A" were constant.

1.5 REIMBURSEMENTS

If a party wishes to claim reimbursement of any amount to which it is entitled it will deliver a demand to the reimbursing party. This will set out the losses, expenses or other amounts to be reimbursed. It must also specify the currency of reimbursement. The reimbursing party agrees to pay those amounts to the party entitled to them no later than two Business Days after the delivery of the demand to the reimbursing party. Where there is an outstanding Termination Event, payment will be due instead on delivery of this demand.

1.6 IMPACT OF THE INTRODUCTION AND OPERATION OF THE EURO

Market practice relating to the inter-bank deposit market, the method and timing of rate fixing and the calculation of interest may change during the Third Stage. As a result, it may differ from the method of rate fixing and the calculation of interest prescribed under the terms of this Agreement and may also change in relation to drawings in sterling if it is substituted by the euro after the Amendment Date. In this event, the Agent may notify the Borrower and the Lenders of the amendments to this Agreement which are required

or reasonably desirable to reflect and conform to these changes. The amendments may provide for the use of London inter-bank market offered rates or inter-bank market offered rates from a wider European market (or, in either case, screen rates reflecting these offered rates). They may also change, amongst other things, the rate fixing time, the definition of "Business Day" and "Rate Fixing Date" and any elements of the formula set out in Clause 1.4. The amendments set out in the Agent's notice will take effect on the later of the date specified in the notice, the date not less than 10 Business Days after the date of that notice and (in the case of such changes being made due to a country becoming a participating member state after the Amendment Date) the date on which that participation commences. The amendments will not apply to interest which is computed by reference to any period starting before the date the amendments take effect. This clause may, in appropriate circumstances, be invoked more than once.

PART II : THE FACILITIES

2. THE FACILITIES

2.1 AMOUNT AND NATURE

The Facilities comprise:

(A) A seven-year (Pounds)100,000,000 revolving loan facility with a euro option which converts into a term loan facility on the Conversion Date under which advances may (subject to the terms and conditions of this Agreement) be made by the Lenders to the Borrower.

(B) A seven-year (Pounds)50,000,000 revolving loan facility with a euro option under which advances may (subject to the terms and conditions of this Agreement) be made by the Lenders to the Borrower.

2.2 PURPOSE

The Borrower agrees to use the proceeds of all Advances to:

(A) refinance existing Indebtedness for Borrowed Money;

(B) finance its working capital, capital expenditure and other related costs in developing the infrastructure for its DTT transmission network (including for the purposes of acquiring "DTT Equipment" and making "Tower Acquisitions", both terms as defined in the Bonds); and

(C) finance its working capital and for its other general corporate purposes, including for the purpose of making Further Acquisitions permitted under Clause 20.1(L).

Without prejudice to the obligations of the Borrower under this sub-clause 2.2, neither the Agent nor the Lenders nor any of them shall be obliged to concern themselves with the application of amounts to be used or raised by the Borrower under this Agreement.

2.3 AVAILABILITY AFTER THE AMENDMENT DATE

The Borrower may borrow under the Facilities (in their amended form as set out in this Agreement) on or after the Amendment Date after the Agent has received all the items listed in Schedule 3 in a form satisfactory to the Agent or, where the form has been agreed prior to the signing of this Agreement, in the agreed form.

2.4 EXPIRY OF AVAILABILITY

(A) The Borrower may not borrow under Facility A after the Facility A Commitment Availability Termination Date.

(B) The Borrower may not borrow under Facility B after the date falling one month before the Facility Termination Date.

2.5 SECURITY

All amounts owing under this Agreement will be secured by the Charges.

3. THE LENDERS AND THE BORROWER

3.1 RIGHTS AND OBLIGATIONS

The rights and obligations of each Lender under the Financing Documents are separate and independent from the rights and obligations of each other Lender. A Lender may take proceedings against the Borrower or a Guarantor on its own without joining any other Lender to those proceedings.

3.2 FAILURE TO PERFORM

If a Lender fails to perform its obligations the Borrower and the Guarantors will have rights solely against that Lender. The obligations of the Borrower and the Guarantors to the Agent, the Arrangers and the other Lenders will not be affected by this failure.

3.3 PARTICIPATIONS

The participation of a Lender in an Advance will be calculated using the following formula:

$$P = C/F \times A$$

where:

P = the participation of that Lender in the Advance

C = the Available Commitment of that Lender on the Advance Date for that Advance

F = the aggregate Available Commitments of all the Lenders on that Advance Date

A = the amount of the Advance.

References above to Available Commitments are to:

(A) Available Facility A Commitments in the case of an Advance under Facility A; and

(B) Available Facility B Commitments in the case of an Advance under Facility B.

The Agent may round participations upwards or downwards to the nearest unit of currency.

4. FEES AND EXPENSES

4.1 FRONT-END FEE

The Borrower agrees to pay a front-end fee to the Arrangers. The amount of this fee, the timing of payment and the payees are described in a letter from Credit Suisse First Boston to the Borrower dated 28th April, 1999. This fee may be shared amongst the Arrangers and Lenders in accordance with the agreement between the Arrangers and each Lender (but that agreement shall be of no concern to the Borrower, who shall obtain a good discharge by making payment in accordance with the above-mentioned letter).

4.2 AGENCY FEE

The Borrower agrees to pay an agency fee to the Agent. The amount of this fee and the timing of payment are described in a letter from the Agent to the Borrower dated 28th April, 1999.

4.3 COMMITMENT FEE

A commitment fee will accrue on the aggregate of the Available Facility A Commitments and the Available Facility B Commitments of each Lender. This fee will accrue from the Amendment Date until:

(A) in the case of Available Facility A Commitment, the Facility A Commitment Availability Termination Date; and

(B) in the case of Available Facility B Commitment, the date falling one month before the Facility Termination Date.

The Borrower agrees to pay the fee to each Lender in arrears at three-monthly intervals and on the Facility Termination Date.

The rate of the fee applicable to each three-monthly period or shorter period ending on the Facility Termination Date will be:

(A) in the case of the Available Facility A Commitment, half the Applicable Margin which would apply on the first day of the relevant period if an amount was advanced under Facility A on that date; and

(B) in the case of the Available Facility B Commitment, half the Applicable Margin which would apply if an amount was advanced under Facility B on that date.

4.4 REIMBURSEMENT OF INITIAL EXPENSES

The Arrangers and the Agent have incurred and will incur expenses in connection with the arrangement of the Facilities. The Borrower agrees to reimburse each of the Arrangers and the Agent for the amount of these expenses. They include the legal fees incurred in the negotiation, preparation and signature of the Financing Documents. They also include expenses incurred (after as well as before the Amendment Date) in perfecting any security constituted by the Charges and as part of the syndication process of the amended Facilities arranged by the Arrangers.

4.5 DOCUMENTARY TAXES

This sub-clause applies if any registration fee, stamp duty or other documentary tax is required to be paid on or in connection with a Financing Document, any document referred to in or contemplated by a Financing Document or any judgment obtained in connection with a Financing Document. It also applies if a fee, duty or tax is payable in order for any of these documents to be valid, binding and enforceable, for the Security under the Charges to be perfected or for the Financing Documents to be admitted as evidence in court. In these circumstances the Borrower agrees to pay the fee, duty or tax together with any interest or penalty for late payment. Alternatively, the Agent or a Lender may make the payment. If it does so, the Borrower agrees to reimburse the Agent or that Lender for the amount paid and the losses and expenses incurred as a result of the payment.

4.6 PROTECTION OF RIGHTS

An Arranger, the Agent or a Lender may incur expenses in protecting, preserving or (if any Company is in breach of its obligations under the Financing Documents) enforcing its rights under the Financing Documents. The Borrower agrees to reimburse that Arranger, the Agent or that Lender for the amount of these expenses.

4.7 EXPENSES RELATING TO AMENDMENTS

The Borrower agrees to reimburse the Agent for the expenses that it or any of the Lenders incurs as a result of:

(A) any request made by the Borrower to waive or amend a term of the Financing Documents; or

(B) any amendments to the Financing Documents made as a result of the introduction or operation of the euro, including pursuant to Clause 1.6 and Clause 6.2(E).

4.8 FSA AND ECB FEES

(A) REIMBURSEMENT: This sub-clause applies if, whether now or in the future, either:

(i) a requirement to pay fees is imposed by the Financial Services Authority under the Fees Regulations; or

(ii) a reserve requirement is imposed by the European Central Bank,

which, in either case, is applied to any Lender (and would be applied generally to banks or financial institutions of a similar nature to that Lender) as a consequence of its Commitments, participation in the Facilities or the arrangements made by it in funding its participation in the Facilities. If, as a result, that Lender's effective return on its overall capital is reduced, the Borrower agrees to reimburse that Lender for the amount claimed.

(B) NOTIFICATION PERIOD: In the event that paragraph (A) applies, each Lender may submit a certificate setting out a calculation of the amount claimed by it to the Agent within the period (the "CERTIFICATION PERIOD") of 10 Business Days after the end of each Relevant Period. The Agent will notify the Borrower of the amount claimed by that Lender within five Business Days after the end of the relevant Certification Period. The Borrower agrees to reimburse that Lender as provided in Clause 1.5.

(C) RELEVANT PERIOD: In this sub-clause a "RELEVANT PERIOD" is, as appropriate:

(i) the period beginning on the Amendment Date and ending on 31st December, 1999; or

(ii) each subsequent period of six months starting on the previous day of preceding period and ending on 30th June or, as the case may be, 31st December; and

(iii) the period shorter than six months which starts on 30th June or 31st December in a year and ends on the Facility Termination Date.

(D) FEES REGULATIONS: In this sub-clause "Fees Regulations" means, as appropriate, either:

(i) the Banking Supervision (Fees) Regulations 1999; or

(ii) such regulations as from time to time may be in force, relating to the payment of fees for banking supervision in respect of periods subsequent to 31st March, 2000.

5. CANCELLATION

5.1 VOLUNTARY CANCELLATION

The Borrower may cancel the whole or part of the Total Facility A Commitments or the whole or part of the Total Facility B Commitments by giving notice to the Agent. This notice will take effect five Business Days after it is received by the Agent unless a later date is specified in the notice. In that case the notice will take effect on the specified date. A cancellation of anything less than the full amount of the Facilities will, however, only take effect if the conditions in Clause 5.2 are satisfied. The Borrower may only cancel a part of the Total Facility A Commitments or a part of the Total Facility B Commitments which, in either case, is a minimum amount of (Pounds)5,000,000 and an integral multiple of (Pounds)1,000,000.

5.2 CONDITIONS PRECEDENT TO VOLUNTARY CANCELLATION
A voluntary cancellation of anything less than the full amount of the Facilities under Clause 5.1 will only be effective if both the following are true:

(A) The Agent has received a certificate signed by the Certifying Financial Officer or a director of the Borrower. The certificate must relate to the proposed cancellation. It must state that, after the cancellation takes effect, the Borrower will have sufficient sources of liquidity in existence to meet its ongoing working capital and general corporate requirements. The certificate must be received by the Agent no later than the time it receives the notice of cancellation.

(B) Reasonable evidence of the sources of liquidity referred to in paragraph (A) has been delivered to the Agent before the cancellation is due to take effect. This is only required if Lenders comprising an Instructing Group request the Agent to demand this evidence. These requests must be received by the Agent by no later than 5.00 p.m. on the third Business Day before the date the proposed cancellation would otherwise take effect.

5.3 MANDATORY CANCELLATION ON DISPOSALS

(A) OBLIGATION TO CANCEL: The Borrower agrees to cancel all or part of the Total Facility A Commitments and the Total Facility B Commitments in accordance with this sub-clause.

(B) CIRCUMSTANCES IN WHICH OBLIGATION TO CANCEL ARISES: The Borrower will be obliged to make a cancellation under this sub-clause following the disposal of any of the assets of the Borrower or any of its Restricted Subsidiaries (a "DISPOSAL EVENT"). This does not apply to the following disposals:

(i) A disposal of obsolete assets.

(ii) Disposals on arm's length terms where the aggregate fair market value of the assets disposed of in any financial year of the Borrower is no more than (Pounds)1,000,000.

(iii) A disposal between the Borrower and any Restricted Subsidiary (which is a wholly-owned member of the Borrower's Restricted Group) or

between Restricted Subsidiaries (each of which is a wholly-owned member of the Borrower's Restricted Group).

(iv) Disposals for non-cash consideration. This exception will only apply to the extent of a maximum amount in Net Disposal Proceeds of (Pounds)2,500,000 during the period from the Amendment Date until the Facility Termination Date.

(v) Disposals where the asset which is the subject of the disposal is being replaced to the extent that the Net Disposal Proceeds are applied to acquire the replacement asset within the period 6 months before or after the disposal.

(vi) A disposal by a Restricted Subsidiary where each of the following is true:

(a) the Restricted Subsidiary is prevented by applicable law from making an amount equal to the Net Disposal Proceeds available to the Borrower for it to make any payment resulting from a Disposal Event,

(b) the Borrower and that Restricted Subsidiary have used all reasonable endeavours to enable an amount equal to the Net Disposal Proceeds to be made available to the Borrower so that any payment resulting from the Disposal Event can be made, and

(c) the Borrower or that Restricted Subsidiary pays an amount equal to the Net Disposal Proceeds into a blocked interest-bearing account held with the Agent or a nominee of the Agent and charged to the Agent as trustee or agent (or both) for the Lenders under a document expressed to be a Charge.

(C) AMOUNT OF MANDATORY CANCELLATION: The amount of the Total Facility A Commitments and the Total Facility B Commitments which will be cancelled under this sub-clause will be an amount equal to the Net Disposal Proceeds which will be applied first to cancel the Total Facility A Commitments and thereafter to cancel the Total Facility B Commitments.

(D) TIMING OF MANDATORY CANCELLATION: The amount of the Total Facility A Commitments and/or the Total Facility B Commitments due to be cancelled under this sub-clause will be cancelled on the date two Business Days after receipt by a member of the Borrower's Restricted Group of the proceeds of the disposal.

Where the disposal proceeds are received as deferred cash consideration, the due date for cancellation will be deferred until the date two Business Days after the Borrower or any of its Restricted Subsidiaries realises cash from those proceeds.

Where the disposal proceeds are applied towards the cost of a replacement asset as described in Clause 5.3(B)(v) and in paragraph (D) of the definition of "NET DISPOSAL PROCEEDS" in Clause 1.1, the due date for cancellation will be deferred (by no more than 6 months) until the date two Business Days after the replacement asset is acquired (if this occurs after receipt by a member of the Borrower's Restricted Group of the Net Disposal Proceeds).

(E) INSUFFICIENT UNDRAWN COMMITMENTS: Clause 10.2 applies to the extent that the amount of the cancellation exceeds the Available Facility A Commitment or the Available Facility B Commitment, as the case may be.

(F) SUSPENSION OF MANDATORY CANCELLATION OBLIGATION: The requirement to make a cancellation under this sub-clause will, however, no longer apply after the date on which annualised Debt Coverage (computed in accordance with Clause 8.8(B)) is below 3:1 for two successive Quarters and for so long as:

(i) the annualised Debt Coverage remains at no more than 3:1; and

(ii) the Certifying Financial Officer confirms in writing in a certificate delivered to the Agent under Clause 18.1(r), at the same time as the delivery of each set of monthly management accounts under Clause 18.1(e), that, to the best of his knowledge, having made all reasonable enquiries, and without personal liability, the Disposal Events which are proposed to take place in the month following that to which the monthly management accounts delivered relate will not result in the Borrower failing to maintain annualised Debt Coverage at below 3:1 at any time during the next four full Quarters following the date on which the last of proposed Disposal Events specified in the certificate is due to take place.

5.4 MANDATORY CANCELLATION OF FACILITIES ON FLOTATION

The Facilities will be cancelled automatically upon the occurrence of the circumstances giving rise to an obligation to prepay the Loan as described in Clause 10.4.

5.5 NO REBORROWING AFTER CANCELLATION

The Borrower may not borrow any part of the Total Facility A Commitments or the Total Facility B Commitments which has been cancelled or which is the subject of a notice of voluntary cancellation.

5.6 EFFECT OF CANCELLATION

When any cancellation takes effect:

(A) In relation to Facility A, the Facility A Commitments of the Lenders will be reduced by an aggregate amount equal to the reduction of the Total Facility A Commitments. Each Lender's Facility A Commitment will be reduced in the same proportion.

(B) In relation to Facility B, the Facility B Commitments of the Lenders will be reduced by an aggregate amount equal to the reduction of the Total Facility B Commitments. Each Lender's Facility B Commitment will be reduced in the same proportion.

This does not apply to a cancellation under Clause 11.1(B), Clause 11.2(D) or Clause 11.4(E). Those Clauses set out the manner in which cancellation under their terms takes effect.

PART III : THE LOAN

6. ADVANCE OF FUNDS

6.1 NOTICE TO THE AGENT

When the Borrower wishes to borrow under a Facility it will deliver a notice to the Agent. This notice must be substantially in the form of Schedule 5. The notice must specify:

(A) the Facility under which the borrowing is to be made;

(B) the amount to be borrowed;

(C) the currency of the borrowing;

(D) the length of the Interest Period; and

(E) the date of the borrowing. This date must be no sooner than

(i) in relation to Advances in sterling, the first Business Day after the date the Agent receives the notice; or

(ii) in relation to Advances in the Optional Currency, the third Business Day after the date the Agent receives the notice.

For these purposes if the Agent receives the notice on a day which is not a Business Day or after 10.00 a.m. on a Business Day, it will be treated as having received the notice on the following Business Day. This does not apply to an Advance to be made on the Amendment Date so long as this Advance is made in sterling and that the notice is received by 8.00 a.m. on the Amendment Date.

6.2 LIMITATIONS ON ADVANCES

The following limitations apply to Advances:

(A) FACILITY A ADVANCES: In the case of Facility A Advances:

(i) No Facility A Advance may exceed the Available Facility A Commitments of all the Lenders. This limitation will be applied as at the Advance Date. For this purpose, before the Conversion Date:

(a) any part of the Total Facility A Commitments which is subject to a notice of voluntary cancellation will be treated as cancelled;

(b) the amount of any Facility A Advance due to be repaid on the Advance Date will be treated as having been repaid;

(c) any other Facility A Advance due to be made on the Advance Date will be treated as having been made; and

(d) Facility A Advances in the Optional Currency will be taken into account at their Original Sterling Amount.

(ii) Each Facility A Advance must be a minimum of (Pounds)5,000,000 and an integral multiple of (Pounds)1,000,000 or be the aggregate of the Available

Facility A Commitments. A Facility A Advance in the Optional Currency must be either:

(a) a minimum of the Equivalent Amount of (Pounds)5,000,000 and an integral multiple of the Equivalent Amount of (Pounds)1,000,000; or

(b) the Equivalent Amount of the uncancelled and undrawn amount of Facility A.

(iii) The Advance Date of any Facility A Advance must be a Business Day on or after the Amendment Date and before the Facility A Commitment Availability Termination Date.

(iv) The Interest Period of each Facility A Advance must comply with Clause 8.

(v) Clause 6.2(C) applies.

(vi) If the Facility A Advance is not to be in sterling, Clause 7 applies.

(B) FACILITY B ADVANCES: In the case of Facility B Advances:

(i) No Facility B Advance may exceed the amount of the aggregate of the Available Facility B Commitments of all the Lenders. This limitation will be applied as at the Advance Date. For this purpose:

(a) any part of the Total Facility B Commitments which is subject to a notice of voluntary cancellation will be treated as cancelled;

(b) the amount of any Facility B Advance due to be repaid on the Advance Date will be treated as having been repaid;

(c) any other Facility B Advance due to be made on the Advance Date will be treated as having been made; and

(d) Facility B Advances in the Optional Currency will be taken into account at their Original Sterling Amount.

(ii) A Facility B Advance must be a minimum of (Pounds)5,000,000 and an integral multiple of (Pounds)1,000,000 or be the aggregate of the Available Facility B Facility Commitments of all the Lenders. A Facility B Advance in the Optional Currency must be either:

(a) a minimum of the Equivalent Amount of (Pounds)5,000,000 and an integral multiple of the Equivalent Amount of (Pounds)1,000,000; or

(b) the Equivalent Amount of the uncancelled and undrawn amount of Facility B.

(iii) The Advance Date of a Facility B Advance must be a Business Day on or after the Amendment Date and at least one month before the Facility Termination Date.

(iv) The Interest Period of each Facility B Advance must comply with Clause 8.

(v) Clause 6.2(C) applies.

(vi) If the Facility B Advance is not to be in sterling, Clause 7 applies.

(C) FACILITY A ADVANCES AND FACILITY B ADVANCES: There must be no more than ten Advances outstanding at any one time. For this purpose, as at any Advance Date:

(i) any Facility B Advance due to be repaid on any Advance Date will be treated as having been repaid on that Advance Date;

(ii) any Facility A Advance due to be repaid on any Advance Date before the Conversion Date will be treated as having been repaid on that Advance Date; and

(iii) any other Facility A Advance or Facility B Advance due to be made on the Advance Date will be treated as having been made.

There must be no more than three Converted Facility A Advances outstanding after the Conversion Date.

(D) EURO UNITS: Each Advance in euro will be recorded as denominated in euro units. This does not affect the denomination of any payment relating to that Advance (subject to Clause 12.3).

(E) SUBSTITUTION OF ALTERNATIVE MINIMUM AND MULTIPLE AMOUNTS

This paragraph applies if the United Kingdom becomes a participating member state and adopts the euro as its currency. In this case, the Agent may determine round amounts in euro to be substituted for amounts in sterling to which reference is made in this Agreement. The substituted amounts need not be a direct equivalent of the sterling amounts. In this case, the Agent agrees to notify each substituted amount to the Borrower and the Lenders. Upon this notification, this Agreement will be deemed amended accordingly. The substituted amounts will take effect on the later of the date specified in the notice, the date not less than 10 Business Days after the date of that notice and the date on which the United Kingdom so becomes a participating member state. The substituted amounts will apply to Advances made on or after that effective date.

6.3 NOTICE TO THE LENDERS

The Agent agrees to provide promptly details of each notice of borrowing to each Lender. These details will also include the amount of the Lender's participation in the Advance.

6.4 CONDITIONS TO BORROWING

The Lenders will only be obliged to make an Advance to the Borrower if:

(A) the Facility is available in accordance with Clause 2;

(B) a properly completed and signed notice of borrowing has been received by the Agent;

(C) the representations in Clause 17.1 (other than, in the case of any Advance after the first Advance made on or after the Amendment Date, paragraphs (T) and (U) of Clause 17.1) are true on the Advance Date; and

(D) there is no outstanding Termination Event or Potential Termination Event on the Advance Date,

but so that Clause 6.4(D) shall not prevent the rollover of an existing Advance (without increasing the amount of this Advance) for an Interest Period of no more than one month at any time when no Termination Event has occurred and is continuing.

6.5 OBLIGATION TO ADVANCE FUNDS

If the requirements of this Clause are satisfied each Lender agrees to advance its participation in the Advance to the Borrower. The Advance will be made on the date specified in the notice of borrowing.

6.6 CONSEQUENCES OF THE ADVANCE NOT BEING MADE

If the notice of borrowing is delivered but no Advance is made the Lenders may incur losses and expenses as a result. The losses and expenses may include those incurred in liquidating or otherwise utilising amounts borrowed by the Lenders to fund the Advance. They may also include the losses and expenses incurred in terminating commitments relating to the funding or incurred in hedging open positions resulting from the Advance not being made. The Borrower agrees to reimburse each Lender for the amount of these losses and expenses. This sub-clause does not apply if the Advance is not made by reason of a default of a Lender.

7. CURRENCY OPTION

7.1 REQUEST FOR OPTIONAL CURRENCY

This Clause applies if a notice of borrowing specifies the Optional Currency. In this case the Advance requested will be made if the Advance is required to be made under the terms of this Agreement.

7.2 NON-AVAILABILITY OF OPTIONAL CURRENCY

A Lender (an "AFFECTED LENDER") may notify the Agent that it is unable to make its participation in an Advance available in the Optional Currency for the requested Interest Period. If a Lender makes this notification it will set out brief details of the reasons why it is unable to make its participation available in this notice. Each of the following applies if this notice is received by the Agent by 2.00 p.m. on the third Business Day before the day the Advance is due to be made:

(A) The Affected Lender will not be obliged to make its participation in the Advance available in the Optional Currency. Instead the Affected Lender agrees to make the participation available in sterling.

(B) The amount the Affected Lender is required to advance will be the Original Sterling Amount of the participation it would otherwise have been required to make available in the Optional Currency.

(C) The Agent agrees to notify the Borrower and the other Lenders of the receipt of the notice from the Affected Lender. This notification will be made by 5.00 p.m. on the third Business Day before the day the Advance is due to be made.

7.3 IMPRACTICALITY OF DRAWING IN OPTIONAL CURRENCY

An Advance which was to have been made in the Optional Currency will not be required to be made if all the following are true:

(A) An event described in Clause 7.4 occurs.

(B) The Agent notifies the Borrower of this event and states that, as a result, the Advance cannot be made in the Optional Currency.

(C) The notice from the Agent is received by the Borrower by 9.00 a.m. on the date the Advance is due to be made.

The Agent agrees to deliver a notice under this sub-clause if it is instructed by an Instructing Group to do so. If the Agent makes this notification it will set out brief details of any reasons provided to it by the Instructing Group when instructing the Agent to give this notice. For the purposes of this sub-clause an Advance will be treated as being made in the Optional Currency even if part of it was due to be made in sterling by virtue of Clause 7.2.

7.4 EVENTS MAKING DRAWING IN OPTIONAL CURRENCY IMPRACTICAL

An event referred to in Clause 7.3 occurs if both:

(A) there are changes in national or international financial, political or economic conditions or in currency exchange rates or exchange controls; and

(B) these changes would, in the opinion of the Agent, make it impracticable for the Advance to be denominated in the Optional Currency.

8. INTEREST

8.1 INTEREST PERIODS

(A) FACILITY A AND FACILITY B ADVANCES: Each Facility A Advance made before the Conversion Date and each Facility B Advance will have one Interest Period only.

(B) POST CONVERSION DATE FACILITY A ADVANCES: Interest shall be calculated on each Converted Facility A Advance by reference to successive Interest Periods. The first Interest Period will, unless Clause 9.2 applies, commence on the date on which the Facility A Advance to which it relates was made and will end on the date selected or determined under Clause 8.3. Each subsequent Interest Period will commence on the last day of the preceding Interest Period of this Converted Facility A Advance. A Converted Facility A Advance may be split into up to three Converted Facility A Advances in the same currency as the Converted Facility A Advance or consolidated back into a single Converted Facility A Advance if the Converted Facility A Advances to be consolidated are all in the same currency and the resultant consolidated Facility A Advance is also in this currency. A splitting or consolidation must take effect on the first day of an Interest Period for all Converted Facility A Advances affected. No split can be made unless, after that splitting:

(i) no more than three Converted Facility A Advances in total will be outstanding; and

(ii) the amount of each Converted Facility A Advance is (Pounds)20,000,000 (or the Equivalent Amount in the Optional Currency) or more.

8.2 DURATION OF INTEREST PERIODS

Each Interest Period must be a period of 1, 2, 3 or 6 months or any other period not exceeding 12 months which the Agent (acting on the instructions of all the Lenders) and the Borrower may agree in writing.

8.3 SELECTION OF INTEREST PERIODS

(A) FACILITY A ADVANCES: The Borrower may select an Interest Period for a Facility A Advance made before the Conversion Date in its notice of borrowing. After the Conversion Date the Borrower must notify the Agent of the duration of each Interest Period by no later than 10.00 a.m. on the third Business Day before the last day of each previous Interest Period.

(B) FACILITY B ADVANCES: The Borrower may select an Interest Period for each Facility B Advance in its notice of borrowing.

(C) FAILURE TO SELECT: When the Borrower does not select an Interest Period in accordance with paragraph (B) or paragraph (A), the Interest Period will be three months or such other period as will comply with Clause 8.4.

8.4 ADJUSTMENT OF INTEREST PERIOD

(A) An Interest Period will end on the last Business Day of a calendar month if it is for a number of complete months and either:

(i) it commenced on the last Business Day of a calendar month; or

(ii) it commenced on a day for which there is no corresponding day in the month in which it is due to end.

(B) This paragraph applies when an Interest Period for a Converted Facility A Advance would otherwise begin before but end after a Facility A Repayment Date. In this case that Interest Period will end on that Facility A Repayment Date. This paragraph will not apply, however, in the case of a Converted Facility A Advance where there are other Converted Facility A Advances with Interest Periods ending on that Facility A Repayment Date which, in aggregate, equal or exceed the amount due to be repaid on that Facility A Repayment Date.

(C) Any Interest Period which would otherwise begin before but end after the Facility Termination Date will, unless paragraph (D) applies, end on the Facility Termination Date.

(D) Any Interest Period which would otherwise end on a day which is not a Business Day will be extended to the next Business Day, unless that day is in another calendar month. Where it is in another calendar month the Interest Period will end on the preceding Business Day.

8.5 RATE OF INTEREST

The rate of interest applicable during an Interest Period will be:

(A) in respect of an Advance in sterling, a rate per annum equal to LIBOR for that Advance for that Interest Period plus the Applicable Margin plus the Costs Rate; and

(B) in respect of an Advance in euros, a rate per annum equal to EURIBOR for that Advance for that Interest Period plus the Applicable Margin..

8.6 PAYMENT OF INTEREST

(A) The Borrower agrees to pay interest accrued on the outstanding amount of each Advance in arrear on the last day of each Interest Period in respect of that Advance. Where an Interest Period is longer than 6 months the Borrower also agrees to pay interest on the day 6 months after the start of that Interest Period.

(B) The Borrower may give notice to the Agent that it wishes to pay all accrued interest on the Loan on the last Business Day of its financial year. This notice must be received by the Agent no later than five Business Days before that day. In this case the Borrower agrees to pay that amount of interest on that date. Any amount received by the Agent will be paid to the Lenders. Payments which would otherwise have been due under paragraph (A) will be adjusted accordingly.

8.7 NOTIFICATION OF INTEREST RATE

The Agent agrees to notify the Borrower and the Lenders promptly of the determination of a rate of interest under this Agreement.

8.8 MARGIN ON ADVANCES

(A) COMPUTATION OF MARGIN: The Applicable Margin will be computed in accordance with this sub-clause.

(B) ANNUALISED DEBT COVERAGE: The Agent agrees to compute the annualised Debt Coverage as at the end of each Quarter. For this purpose it will use the figures for Financial Indebtedness and EBITDA contained in the certificate of the Certifying Financial Officer delivered pursuant to Clause 18.1(g). In order to work out the annualised Debt Coverage the Agent will use the following formula:

ADC = the ratio of FI: (EBITDA x 4)

where:

ADC = annualised Debt Coverage

EBITDA = EBITDA for the most recent Quarter

FI = Financial Indebtedness as at the end of the most recent Quarter.

(C) INITIAL APPLICABLE MARGIN: Unless paragraph (F) applies, the Applicable Margin will be 1.35% for the first six months after the Amendment Date (the "INITIAL MARGIN PERIOD"). However, the Applicable Margin during the Initial Margin Period will be 1.50%:

(i) if the certificate of the Certifying Financial Officer delivered under paragraph 18 of Schedule 3; or

(ii) if, and with effect from the date on which, a certificate of the Certifying Financial Officer delivered pursuant to Clause 18.1(g) during the Initial Margin Period,

results in the Agent computing annualised Debt Coverage calculated in accordance with paragraph (B) of greater than or equal to 5:1.

(D) AMOUNT OF THE APPLICABLE MARGIN: The Applicable Margin computed for the purposes of this sub-clause for:

(i) Interest Periods which are current at the end of the Initial Margin Period shall be determined by the Agent with effect from the first day after the end of the Initial Margin Period; and

(ii) Interest Periods starting after the end of the Initial Margin Period shall be determined by the Agent with effect from the first day of that Interest Period

in each case, in accordance with the most recent certificate delivered by the Certifying Financial Officer and on the basis of the following table:

(1) ANNUALISED DEBT COVERAGE	(2) MARGIN
Greater than or equal to 5:1	1.50%
Less than 5:1 and greater than or equal to 4.5:1	1.35%
Less than 4.5:1 and greater than or equal to 4:1	1.15%
Less than 4:1 and greater than or equal to 3:1	1.00%
Less than 3:1 and greater than or equal to 2:1	0.80%
Less than 2:1	0.625%

The Agent will determine the margin in column (2) of the table in respect of the annualised Debt Coverage (computed in accordance with paragraph (B)) as at the end of the most recent Quarter. The margin so determined will, however, not apply if paragraph (F) applies.

(E) APPLICABLE MARGIN: The adjustment of the Applicable Margin to reflect a change in annualised Debt Coverage as a result of the delivery to the Agent of the certificate of the Certifying Financial Officer pursuant to Clause 18.1(g) will take effect after that delivery as follows:

(i) in relation to each Facility A Advance on or before the Conversion Date, from the first day of each Facility A Advance after delivery of the certificate;

(ii) in relation to each Converted Facility A Advance, from the first day of the next Interest Period applicable to that Converted Facility A Advance; or

(iii) in relation to each Facility B Advance, from the first day of each Facility B Advance after delivery of the certificate.

(F) TERMINATION EVENT OR POTENTIAL TERMINATION EVENT: The Applicable Margin will be 1.50% in the event that any of the following occur:

(i) a Termination Event;

(ii) a Potential Termination Event under Clause 21.1(A); or

(iii) the failure to deliver the certificate pursuant to Clause 18.1(g) by the latest date prescribed.

This adjustment will take effect immediately upon the date of the occurrence any of the events set out in sub-paragraphs (i), (ii) or (iii) (as determined by the Agent) and will last for so long (only) as the relevant event subsists unremedied or unwaived.

9. REPAYMENT

9.1 REPAYMENT OF FACILITY A ADVANCES BEFORE THE CONVERSION DATE

(A) The Borrower agrees to repay each Facility A Advance made to it before the Conversion Date on the last day of the Interest Period for that Facility A Advance where the last day of that Interest Period falls before the Conversion Date. The Borrower shall repay that Facility A Advance in the currency it was made unless paragraph (B) applies.

(B) Where on any date on which a Facility A Advance is to be repaid (the "OLD ADVANCE") the Borrower borrows a further Facility A Advance (the "NEW ADVANCE") and either:

(i) the New Advance and the Old Advance are both in sterling or the Optional Currency; or

(ii) the Old Advance is in the Optional Currency and the New Advance is in sterling or the Old Advance is in sterling and the New Advance is in the Optional Currency,

then the Agent shall, unless the Borrower requests otherwise, apply the New Advance, subject to paragraph (C), in or towards repayment of the Old Advance. This will be treated as satisfying pro tanto the obligations of the Borrower to repay the Old Advance and of the Lenders to make the New Advance.

(C) If paragraph (B)(ii) applies, the Agent shall:

(i) apply the amount of the New Advance in or towards the purchase of an amount in the currency of the Old Advance; and

(ii) use the amount it purchases in or towards satisfaction of the Borrower's obligations to repay the Old Advance in the currency in which it is outstanding.

If the amount purchased by the Agent under sub-paragraph (i) is less than the amount of the Old Advance, the Agent will promptly notify the Borrower and the Borrower must, on the day the Old Advance is due to be repaid, pay an amount to the Agent (in the currency in which the Old Advance is outstanding) equal to the difference.

If any part of the amount paid to the Agent by the Lenders in order to make the New Advance is not needed to purchase the amount required to be repaid by the Borrower, the Agent will promptly notify the Borrower

and pay the Borrower on the day the New Advance is to be made that part of that amount (in the currency of the New Advance).

9.2 CONVERSION OF FACILITY A

(A) If any outstanding Facility A Advance is not repaid on the Conversion Date each Facility A Advance outstanding as at the Conversion Date will be automatically converted into a Converted Facility A Advance. However, there must not be any more than three Converted Facility A Advances outstanding at any time.

(B) In the event that there are more than three Facility A Advances outstanding as at the Conversion Date, the Agent may consolidate these Facility A Advances and the Interest Periods relating to them so that no more than three Converted Facility A Advances are outstanding. If the Lenders incur losses and expenses as a result of this consolidation, the Borrower will reimburse each affected Lender for the losses and expenses that Lender has incurred, or will, incur as a result. These losses and expenses include those incurred in liquidating as at the Conversion Date or otherwise utilising amounts borrowed by the Lender to fund its participation in the Facility A Advances. They may also include losses and expenses incurred in hedging open positions resulting from the consolidation of Facility A Advances on the Conversion Date.

9.3 REPAYMENT OF FACILITY A LOAN AFTER CONVERSION DATE

The Borrower agrees to repay the Facility A Loan after the Conversion Date in semi-annual instalments on the Facility A Repayment Dates. A repayment may be made on a Facility A Repayment Date from one or more Converted Facility A Advances in the currency or currencies in which the relevant Converted Facility A Advance or Converted Facility A Advances are denominated. The amount of any repayment in the Optional Currency will be at its Original Sterling Amount. The amount of each instalment will be determined on the basis of the following table:

FACILITY A REPAYMENT DATE FALLING ON	PERCENTAGE OF FACILITY A LOAN OUTSTANDING AND NOT REPAID ON THE CONVERSION DATE TO BE REPAID IN EACH REPAYMENT INSTALMENT
30th June, 2002	10%
31st December, 2002	10%
30th June, 2003	10%
31st December, 2003	10%
30th June, 2004	10%
31st December, 2004	10%
30th June, 2005	10%
31st December, 2005	10%
Seventh anniversary of the Amendment Date	20%

The amount of the final instalment will be the whole of the Facility A Loan outstanding at that date.

9.4 REPAYMENT OF FACILITY B ADVANCES

(A) The Borrower agrees to repay each Facility B Advance made to it on the last day of the Interest Period for that Facility B Advance. The Borrower shall repay that Facility B Advance in the currency it was made unless paragraph (B) applies.

(B) Where on any date on which a Facility B Advance is to be repaid (the "OLD ADVANCE") the Borrower borrows a further Facility B Advance (the "NEW ADVANCE") and either:

(i) the New Advance and the Old Advance are both in sterling or the Optional Currency; or

(ii) the Old Advance is in the Optional Currency and the New Advance is in sterling or the Old Advance is in sterling and the New Advance is in the Optional Currency,

the Agent shall, unless the Borrower requests otherwise, apply the New Advance, subject to paragraph (C), in or towards repayment of the Old Advance. This will be treated as satisfying pro tanto the obligations of the Borrower to repay the Old Advance and of the Lenders to make the New Advance.

(C) If paragraph (B)(ii) applies, the Agent shall:

(i) apply the amount of the New Advance in or towards the purchase of an amount in the currency of the Old Advance; and

(ii) use the amount it purchases in or towards satisfaction of the Borrower's obligations to repay the Old Advance in the currency in which it is outstanding.

If the amount purchased by the Agent under sub-paragraph (i) is less than the amount of the Old Advance, the Agent will promptly notify the Borrower and the Borrower must, on the day the Old Advance is due to be repaid, pay an amount to the Agent (in the currency in which the Old Advance is outstanding) equal to the difference.

If any part of the amount paid to the Agent by the Lenders in order to make the New Advance is not needed to purchase the amount required to be repaid by the Borrower, the Agent will promptly notify the Borrower and pay the Borrower on the day the New Advance is to be made that part of that amount (in the currency of the New Advance).

9.5 ADJUSTMENT FOR CURRENCY FLUCTUATIONS

(A) If a Converted Facility A Advance is to be outstanding in the Optional Currency during two successive Interest Periods, the Agent will calculate the amount of that Converted Facility A Advance in the Optional Currency for the second of those Interest Periods. It will do this by calculating the amount of Optional Currency equal to the sterling amount of that Converted Facility A Advance at the Agent's spot rate of exchange three Business Days before the first day of that second Interest Period) and (subject to paragraph (B) below):

(i) if the amount calculated (after allowing for any repayment of the Converted Facility A Advance at the end of the first Interest Period) is less than the existing amount of that Converted Facility A Advance in the Optional Currency during the first Interest Period, promptly notify the Borrower and the Borrower shall pay, on the first day of the second Interest Period, an amount equal to the difference; or

(ii) if the amount calculated (after allowing for any repayment of the Converted Facility A Advance at the end of the first Interest Period) is more than the existing amount of that Converted Facility A Advance in the Optional Currency during the first Interest Period, promptly notify

each Lender and each Lender shall pay, on the first day of the second Interest Period, its participation in an amount equal to the difference.

(B) If the calculation made by the Agent under paragraph (A) above shows that the amount of the Converted Facility A Advance in the Optional Currency has increased or decreased by less than five per cent. compared to its Equivalent Amount (taken as at the first date of the first of these Interest Periods), no notification shall be made by the Agent and no payment shall be required under paragraph (A) above.

10. PREPAYMENT

10.1 OPTIONAL PREPAYMENT

The Borrower may give notice that it will repay the whole or part of the Loan on any day prior to the Facility Termination Date. Clause 11.7 applies to any repayment under this sub-clause. This notice must state:

(A) the date of prepayment which will be at least five Business Days after the notice is received by the Agent;

(B) whether the repayment is out of a Facility A Advance (whether before or after the Conversion Date) or a Facility B Advance and specifying which Facility A Advance or Facility B Advance is affected; and

(C) the amount to be prepaid which will be a minimum of (Pounds)5,000,000 and an integral multiple of (Pounds)1,000,000 in respect of any Facility or the whole of the amount outstanding under that Facility.

The Borrower agrees to repay the Loan in accordance with its notice. A prepayment of the Facility A Loan after the Conversion Date will reduce the repayment instalments under Clause 9 starting with the next succeeding instalment and working forwards, but so that:

(i) no more than two repayment instalments; and

(ii) no instalment falling due more than 18 months after the date of prepayment,

will be reduced in this way. That amount (if any) of the prepayment which is not applied in accordance with the preceding sentence (the "RESIDUAL AMOUNT") will be applied in reducing all the remaining repayment instalments under the Facility A Loan. In this case each remaining repayment instalment will be reduced by an amount calculated by dividing the residual amount by the number of remaining repayment instalments. Where any prepayment amount in respect of a particular remaining repayment instalment reduces that remaining repayment instalment to zero the balance of that amount will be re-applied to the other remaining repayment instalments as if it were a residual amount.

10.2 MANDATORY PREPAYMENT ON DISPOSALS

(A) OBLIGATION TO PREPAY: The Borrower agrees to prepay the Loan in accordance with this sub-clause.

(B) CIRCUMSTANCES IN WHICH OBLIGATION TO PREPAY ARISES: The Borrower will be obliged to make a prepayment under this sub-clause in the following circumstance:

(i) In the case of Facility A,

(a) the Total Facility A Commitments are cancelled (in whole or in part) under Clause 5.3; and

(b) as a result of that cancellation (or otherwise), the Facility A Loan would otherwise exceed the Total Facility A Commitments following the cancellation,

(ii) In the case of Facility B,

(a) the Total Facility B Commitments are cancelled (in whole or in part) under Clause 5.3; and

(b) as a result of that cancellation (or otherwise), the Facility B Loan would otherwise exceed the Total Facility B Commitments following the cancellation.

(C) AMOUNT OF MANDATORY PREPAYMENT: The amount the Borrower is obliged to repay under this sub-clause will be:

(i) the a mount by which the Facility A Loan would exceed the Total Facility A Commitments as described in Clause 10.2(B)(i)(b); and

(ii) the amount by which the Facility B Loan would exceed the Total Facility B Commitments as described in Clause 10.2(B)(ii)(b).

The amount required to be repaid under this sub-clause on any occasion may be less than (Pounds)5,000,000. In this case the amount which would otherwise be due to be repaid will be reserved, but not repaid. On the next occasion an amount becomes repayable under this sub-clause the amount reserved will be added to that amount and the aggregate will be repayable if it exceeds (Pounds)5,000,000. If it does not exceed (Pounds)5,000,000 the aggregate amount will be reserved and the previous sentence will apply to this aggregate reserved amount. The Borrower may elect to repay any amount which would otherwise be reserved under this paragraph. In this case it will repay that amount (and any amount previously reserved and not repaid under this paragraph) in accordance with paragraph (E) and that amount will not be reserved.

(D) TIMING OF MANDATORY PREPAYMENT: Subject to paragraph (E), the amount repayable under this sub-clause will become due for repayment on the date the applicable cancellation occurs under Clause 5.3(D). Clause 11.7 applies to any repayment under this sub-clause.

(E) BREAK COSTS: The Borrower may certify to the Agent that a repayment required under this sub-clause:

(i) is due on a date other than the last day of the Interest Period applicable to the amount being repaid; or

(ii) would cause it to incur broken funding costs in respect of one or more of the Hedging Contracts.

The Borrower's obligation to make a repayment under this sub-clause will be deferred until the last day of the Interest Period applicable to the amount being repaid. This deferral will only apply, however, if the Borrower deposits in the Charged Account an amount equal to the amount which it would otherwise have been obliged to repay (save to the extent the prepayment obligation will be discharged by an amount already standing to the credit of the Charged Account). This deposit must be made on or before the date the repayment would otherwise have been due.

(F) APPLICATION OF PREPAYMENT: A prepayment of the Facility A Loan under this sub-clause after the Conversion Date will reduce each outstanding repayment instalment under Clause 9 by an amount calculated by dividing the amount to be prepaid by the number of remaining repayment instalments applicable to the Facility A Loan. Where any prepayment amount in respect of a particular remaining repayment instalment reduces that remaining repayment instalment to zero the balance of that prepayment amount shall be re-applied to the other remaining repayment instalments in accordance with the preceding sentence.

10.3 MANDATORY PREPAYMENT OF FACILITY A LOAN ON EXCESS CASH FLOW

(A) OBLIGATION TO PREPAY: The Borrower agrees to prepay the Facility A Loan in accordance with this sub-clause.

(B) CIRCUMSTANCES IN WHICH OBLIGATION TO PREPAY ARISES: The Borrower will be obliged to make a prepayment under this sub-clause in the event that, after the Conversion Date, Excess Cash Flow in respect of a financial year (including any financial year in which the Facility A Commitment Availability Termination Date falls) is positive (an "EXCESS CASH FLOW EVENT"). The requirement to make a prepayment under this sub-clause will no longer apply after the date on which annualised Debt Coverage (computed in accordance with Clause 8.8(B)) is below 3:1 for two successive Quarters and for so long as the annualised Debt Coverage remains at no more than 3:1.

(C) AMOUNT OF MANDATORY PREPAYMENT: The amount the Borrower is obliged to repay under this sub-clause will be half the amount of the positive Excess Cash Flow described in Clause 10.3 (B).

The amount required to be repaid under this sub-clause on any occasion may be less than (Pounds)5,000,000. In this case the amount which would otherwise be due to be repaid will be reserved, but not repaid. On the next occasion an amount becomes repayable under this sub-clause the amount reserved will be added to that amount and the aggregate will be repayable if it exceeds (Pounds)5,000,000. If it does not exceed (Pounds)5,000,000 the aggregate amount will be reserved and the previous sentence will apply to this aggregate reserved amount. The Borrower may elect to repay any amount which would otherwise be reserved under this paragraph. In this case it will repay that amount (and any amount previously reserved and not repaid under this paragraph) in accordance with paragraph (D) and that amount will not be reserved.

(D) TIMING OF MANDATORY PREPAYMENT: The amount repayable under this sub-clause will become due for repayment on the earlier of:

(i) the date 90 days after the date of delivery to the Agent of the certificate relating to Excess Cash Flow described in Clause 18.1(l) (with the date of delivery of this certificate being the "EXCESS CASH FLOW CERTIFICATE DELIVERY DATE"); or

(ii) subject to paragraph (E), the first date after the Excess Cash Flow Certificate Delivery Date which is the last day of an Interest Period in respect of a Facility A Advance which is in an amount equal to or greater than the amount due for repayment under this sub-clause.

Clause 11.7 applies to any repayment under this sub-clause.

(E) BREAK COSTS: The Borrower may certify to the Agent that a repayment required under this sub-clause:

(i) is due on a date other than the last day of the Interest Period applicable to the amount being repaid; or

(ii) would cause it to incur broken funding costs in respect of one or more of the Hedging Contracts.

The Borrower's obligation to make a repayment under this sub-clause will be deferred until the last day of the Interest Period applicable to the amount being repaid. This deferral will only apply, however, if the Borrower deposits in the Charged Account an amount equal to the amount which it would otherwise have been obliged to repay (save to the extent the prepayment obligation will be discharged by an amount already standing to the credit of the Charged Account). This deposit must be made on or before the date the repayment would otherwise have been due.

(F) APPLICATION OF PREPAYMENT: A prepayment of the Facility A Loan under this sub-clause will reduce each outstanding repayment instalment under Clause 9 by an amount calculated by dividing the amount to be prepaid by the number of remaining repayment instalments applicable to the Facility A Loan. Where any prepayment amount in respect of a particular remaining repayment instalment reduces that remaining repayment instalment to zero the balance of that prepayment amount shall be re-applied to the other remaining repayment instalments in accordance with the preceding sentence.

(G) EXCESS CASH FLOW: In this Agreement "EXCESS CASH FLOW" for any financial year (the "CURRENT FINANCIAL YEAR") means EBITDA for the current financial year:

(i) plus all non-cash charges deducted in establishing EBITDA for the current financial year, unless those non-cash charges are provisions for cash expenditure due to be made in the next financial year;

(ii) plus any non-cash charges deducted in establishing EBITDA for the previous financial year which were provisions for cash expenditure in the current financial year, but where that cash expenditure was not made in the current financial year;

(iii) plus the amount of any tax rebate or credit in respect of any advance corporation tax, mainstream corporation tax or withholding tax or their equivalent in any relevant jurisdiction actually received in cash by any member of the Borrower's Restricted Group during the current financial year;

(iv) minus the Net Disposal Proceeds received during the current financial year to the extent applied in (or reserved for) prepayment of the Loan pursuant to Clause 10.2;

(v) minus Net Cash Interest for the current financial year;

(vi) minus all advance corporation tax, mainstream corporation tax and withholding tax or their equivalent in any relevant jurisdiction actually paid or falling due for payment during the current financial year (but excluding any amount paid in the current financial year which was included in the Excess Cash Flow computation for a previous financial year because it fell due in that previous financial year);

(vii) minus the aggregate principal amount of Indebtedness for Borrowed Money (other than of a revolving nature) falling due for repayment in the current financial year or prepaid in the current financial year under Clause 10.1;

(viii) minus:

(a) all capital expenditure made during the current financial year; less

(b) the amount deducted pursuant to sub-paragraph (ix) in the Excess Cash Flow calculation made in respect of the previous financial year less the amount added pursuant to sub-paragraph (x) in respect of the current financial year;

(ix) minus capital expenditure included in the budget for the current financial year (and not included in the budget for any previous financial year) but not spent in the current financial year, but so that an amount may only be deducted under this sub-paragraph to the extent that a deposit equal to this amount is made, specifically for this purpose, into the Charged Account on or before the date on which the audited financial statements for the current financial year in respect of the Borrower's Restricted Group are delivered to the Agent pursuant to Clause 18.1(b);

(x) plus the amount determined in accordance with the following formula:

$$A = D - (CE - B)$$

where:

A = the amount to be determined under this sub-paragraph (but if the result of the computation is to produce a negative number, A will be zero)

D = the amount deducted pursuant to sub-paragraph (ix) in respect of the previous financial year

CE = capital expenditure in the current financial year

B = the capital expenditure in the budget for the current financial year (and not included in the budget for any previous financial year)

but so that if CE - B produces a negative result it will be treated as zero and so A = D.

10.4 MANDATORY PREPAYMENT OF LOAN ON FLOTATION

(A) OBLIGATION TO PREPAY: The Borrower agrees to prepay the Loan in accordance with this sub-clause.

(B) CIRCUMSTANCES IN WHICH OBLIGATION TO PREPAY ARISES: The Borrower will be obliged to make a prepayment under this sub-clause upon the shares of the Borrower or the Parent or any intermediate Holding Company between the Borrower and the Parent becoming the subject of an initial public offering in connection with the application by the relevant Company for the admission of its shares to listing on any stock exchange or its shares being made available for the first time for dealing through any public dealings facility.

(C) AMOUNT OF MANDATORY PREPAYMENT: The amount the Borrower is obliged to repay under this sub-clause will be the full amount of the Loan.

(D) TIMING OF MANDATORY PREPAYMENT: The amount repayable under this sub-clause will become due for repayment on the earlier of:

(i) the date of receipt of the sale or issue proceeds by a member of the Group or any shareholder in any member of the Group; and

(ii) the date of listing becoming effective. Clause 11.7 applies to any repayment under this sub-clause.

(E) EFFECT OF PREPAYMENT: A prepayment of the Loan under this sub-clause will reduce the Total Facility A Commitments and Total Facility B Commitments to zero.

10.5 PREPAYMENT UNDER CLAUSE 11

A prepayment of a Lender's participation in the Facility A Loan after the Conversion Date under Clause 11.1(B), 11.2(D), 11.3(D) or 11.4(E) will reduce each outstanding repayment instalment under Clause 9 proportionately to that Lender's participation in the Facility A Loan.

10.6 NO OTHER PREPAYMENT

The Borrower may not repay the Loan early except in the manner permitted or required by this Agreement.

10.7 NO RE-BORROWING

No amount of the Facility A Loan which is repaid after the Conversion Date may be re-borrowed.

PART IV: CHANGES OF CIRCUMSTANCES AND PAYMENTS

11. CHANGES OF CIRCUMSTANCES

11.1 ILLEGALITY

(A) NOTICE: Each Lender may notify the Borrower if it has reasonable cause to believe it is or will be acting illegally in relation to the Facilities. The illegality may relate to the performance of the Lender's obligations, the maintenance of the Facilities or the Lender's funding arrangements. Each Lender confirms it is not acting illegally in relation to the Facilities on the Amendment Date.

(B) CANCELLATION AND PREPAYMENT: If a Lender delivers a notice of illegality the Available Commitment of that Lender will be cancelled on the date of that notice. If the Lender certifies that, because of a legal requirement applicable to the Lender, the participation of that Lender in the Loan must be repaid before the last day of any applicable Interest Period the Borrower agrees to repay the participation on the earlier date specified by the Lender. Clause 11.7 applies to any cancellation or repayment under this sub-clause.

11.2 INCREASED COSTS

(A) TYPES OF INCREASED COSTS: This sub-clause applies where all of (i), (ii) and (iii) are true:

(i) Either:

(a) there is a change in a legal requirement applicable to a Lender Group Company or in any other requirement with which it is accustomed to comply, or a change in its interpretation or application; or

(b) a Lender Group Company complies with a direction or request of an authority with whose directions or requests it is accustomed to comply.

(ii) As a result, any of the following occurs:

(a) a Lender Group Company incurs an expense;

(b) a Lender Group Company's effective return from the Facilities or on its overall capital is reduced;

(c) any amount payable to a Lender Group Company is reduced; or

(d) a Lender Group Company does not recover an amount which would otherwise have been paid to it.

No account will be taken of tax on the overall net income (including overall net profit or gains) of a Lender, or a Lender Group Company, in the country in which it has its principal office or the office through which it is acting for the purposes of this Agreement. Any loss, reduction or expense wholly reflected in the Costs Rate, or which is recoverable under Clause 4.8 or Clause 11.4 (or would have been so recoverable but for Clause 11.5) will also not be taken into account.

(iii) The losses, reductions and expenses arising as a result are wholly or partly attributable to the Lender's participation in the Facilities or the arrangements made by a Lender in funding its participation in the Facilities.

(B) NOTICE: Each Lender may notify the Borrower if it becomes aware that this sub-clause applies. This notice will contain reasonable detail of the circumstances which have caused this sub-clause to apply.

(C) PAYMENT OF ADDITIONAL AMOUNTS: The Borrower agrees to reimburse each Lender for the losses, reductions, expenses and unrecovered amounts described in paragraph (A).

(D) PREPAYMENT AND CANCELLATION: If a Lender delivers a notice under paragraph (B):

(i) the Borrower may deliver to that Lender a notice of prepayment. The Borrower agrees to prepay the participation of that Lender in the Loan five Business Days after the Lender receives this notice (or on any later date or dates specified in the notice). Clause 11.7 applies to this prepayment; and/or

(ii) the Borrower may deliver to that Lender a notice of cancellation. That Lender's Available Facility A Commitment and Available Facility B Commitment will be reduced to zero on the date of delivery of that notice.

(E) BASLE EXCEPTION: Paragraph (C) will not oblige the Borrower to compensate any Lender in respect of itself or any other Lender Group Company for any losses, reductions and expenses described in paragraph (A)(ii) which result from the implementation, as at the Amendment Date, of the matters set out in the July 1988 report of the Basle Committee on Banking Regulations and Supervisory Practices entitled "International Convergence of Capital Measurement and Capital Standards" (the "BASLE REPORT"), the Directive of the Council of the European Communities on a Solvency Ratio for Credit Institutions (89/647/EEC of 18th December, 1989) (the "SOLVENCY DIRECTIVE") or the Directive of the Council of the European Communities on Own Funds of Credit Institutions (89/299/EEC of 17th April, 1989) (the "OWN FUNDS DIRECTIVE") in each case as amended prior to the Amendment Date. This exception will not apply if the losses, reductions and expenses described in paragraph (A)(ii) result from any change after the Amendment Date in, or in the interpretation or application of, the Basle Report, the Solvency Directive or the Own Funds Directive.

11.3 MARKET DISRUPTION

(A) NATURE OF MARKET DISRUPTION: This sub-clause applies if any of (i), (ii), or (iii) are true:

(i) Lenders with Available Commitments exceeding 35% of the aggregate Available Commitments, or with participations exceeding 35% of the Loan, notify the Agent that they believe that LIBOR or, as the case may be, EURIBOR would not reflect fairly the cost to them of funding an amount outstanding under this Agreement. For the purpose of making this computation, the Agent will disregard a notice from a Lender in circumstances where the Borrower has satisfied the Agent (supported

by any evidence that the Agent may reasonably request) that the only reason why LIBOR or, as the case may be, EURIBOR would not reflect fairly the cost to that Lender of funding its participation in an Advance is a deterioration in that Lender's credit standing.

(ii) LIBOR or, as the case may be, EURIBOR cannot be determined because no rate appears on the Screen for the relevant currency for the necessary period and fewer than two Reference Banks provide quotations.

(iii) Lenders with Available Commitments exceeding 35% of the aggregate Available Commitments, or with participations exceeding 35% of the Loan, notify the Agent that they are unable to fund their participations in the Loan in the London inter-bank market or, as the case may be, European inter-bank market. (B) NOTICE: The Agent agrees to notify the Borrower and the Lenders if this sub-clause applies.

(C) ALTERNATIVE INTEREST RATE ARRANGEMENTS: If the Agent delivers a notice of market disruption each of the following applies:

(i) The means of determining the rates of interest applicable to the Advance or Advances affected (the "AFFECTED ADVANCE") will be suspended. Instead the Borrower agrees to pay interest to the Lenders on the Affected Advance in the manner requested by the Agent in accordance with this clause. A request by the Agent may specify periods to be used for the computation of interest. It must also specify the rate of interest to apply for a period. This rate will be the rate determined by the Agent to reflect the cost to each Lender of funding the Affected Advance for the period plus the Applicable Margin plus (in the case of Advances in sterling) the Costs Rate. In order to assist the Agent in this determination each Lender agrees to provide to the Agent any information which the Agent may request. If this information is received by the Agent within any time period specified by the Agent it will be taken into account by the Agent in making its determination.

(ii) The Borrower and the Agent will negotiate the terms of an alternative arrangement for determining a rate of interest for the Affected Advance. The negotiations will be carried on in good faith. Neither party is bound to continue the negotiations after the date 30 days after the Borrower receives the Agent's notice. If agreement is reached and if it is approved by all the Lenders the rate of interest will be determined in accordance with the agreement. Sub-paragraph (i) will not apply to the extent that it is expressly excluded by that agreement.

(iii) If the circumstances described in paragraph (A) cease to apply the Agent will notify the Borrower and the Lenders. The notice will specify the transitional arrangements proposed by the Agent which as far as possible will be in accordance with the normal interest rate fixing provisions of this Agreement. The Borrower agrees to pay interest to the Lenders on the Affected Advance in the manner described in this notice unless a different arrangement is agreed by the Agent and the Borrower and approved by all the Lenders. In this case the Borrower agrees to pay interest to the Lenders in the manner agreed.

(D) PREPAYMENT: If this sub-clause applies, the Borrower may deliver a notice of prepayment to the Agent. The Borrower agrees to prepay the Loan or, at the Borrower's election, the Affected Advance or Affected Advances five Business Days after the Agent receives this notice (or on any later date or dates specified in the notice). Clause 11.7 applies to this prepayment.

(E) WITHDRAWAL: If this sub-clause applies, the Borrower may notify the Agent before 12.30 p.m. on the Advance Date relating to the Affected Advance that it wishes to withdraw the notice of borrowing relating to the Affected Advance. In this case that notice of borrowing will be treated as having not been made. Clause 6.6 will not apply in these circumstances.

11.4 WITHHOLDINGS

(A) WITHHOLDINGS AND DEDUCTIONS: This sub-clause applies if the Borrower, a Guarantor or the Agent is required by law, or by any requirement of a taxing authority with which it is obliged to comply, to make a payment under this Agreement net of a withholding or deduction.

(B) NOTICE: The Borrower agrees to notify the Agent if it becomes aware that this sub-clause applies.

(C) GROSSING UP: The Borrower and each Guarantor agrees to increase the amount of any payment from which it has to withhold or deduct any sum. This increase will ensure that the person entitled to the payment will receive, after that sum has been deducted or withheld, the amount it would have received had no sum had to be withheld or deducted.

(D) PAYMENT OF TAX: The Borrower and each Guarantor will pay to the appropriate authority all amounts withheld or deducted by it and certify to the Agent's reasonable satisfaction that it has withheld or deducted those sums and paid them to that authority. If a receipt or other evidence of payment can be obtained from that authority without incurring unreasonable cost or expense, the Borrower or that Guarantor agrees to deliver this to the Agent as soon as reasonably practicable.

(E) PREPAYMENT AND CANCELLATION: If this clause applies to payments by the Borrower:

(i) the Borrower may deliver to the Agent a notice of prepayment. This notice may relate to any part of the Loan which is subject (or the interest on which is subject) to the withholding or deduction. The Borrower agrees to prepay the Loan (or the part of it which is affected) five Business Days after the Agent receives this notice (or on any later date or dates specified in the notice). Clause 11.7 applies to this prepayment; and/or

(ii) the Borrower may deliver to the Agent a notice of cancellation. This notice may relate to any part of the Total Facility A Commitments or Total Facility B Commitments which, if drawn, would be subject (or the interest on which would be subject) to the withholding or deduction. That part of the Total Facility A Commitments or Total Facility B Commitments will be reduced to zero on the date of delivery of that notice.

(F) REFUND OF TAX CREDITS: If the Borrower or a Guarantor makes an increased payment under Clause 11.4(C) (a "TAX PAYMENT") the relevant Lender or, as the case may be, the Agent agrees to notify the Borrower if it has obtained a refund of tax or obtained and used a credit against tax on its overall net income (a "TAX CREDIT") which that Lender or, as the case may be, the Agent is able to identify as attributable to that Tax Payment. To the extent that it can in its absolute discretion without any adverse consequences for it, that Lender or, as the case may be, the Agent shall reimburse the Borrower or, as the case may be, that Guarantor such amount as the Lender or, as the case may be, the Agent determines to be the proportion of that Tax Credit as will leave the Lender or, as the case may be, the Agent (after that reimbursement) in no better or worse position in respect of its tax liabilities than it would have been in if no Tax Payment had been required. No Lender or, as the case may be, Agent shall be obliged to disclose any information regarding its tax affairs and computations, and this sub-clause does not affect the right of any Lender or, as the case may be, Agent to arrange its tax affairs as it thinks fit.

11.5 INLAND REVENUE TREATMENT OF THE LENDERS

The Borrower and each Guarantor will not be required to pay increased amounts under Clause 11.4 in respect of a payment of interest to a Lender in either of the following cases:

(A) At the date the principal amount on which that interest accrued was advanced that Lender was not a bank for the purposes of section 349(3) of the Income and Corporation Taxes Act 1988.

(B) The person beneficially entitled to that payment of interest at the time it is paid is not within the charge to United Kingdom corporation tax in respect of that interest.

This sub-clause only applies so far as a withholding or deduction is due to the circumstances described in paragraph (A) or (B) above. It does not apply where the circumstances described in paragraph (A) or (B) above arise as a result of a change in law or concession or a change in the interpretation or application of law or concession. Each Lender agrees to notify the Agent if paragraph (A) or (B) above applies.

11.6 CONFIRMATIONS FROM LENDERS

The Borrower or the Agent may request a Lender to confirm whether or not the circumstances described in Clause 11.5(A) or (B) exist. Each Lender agrees to provide the confirmation requested as soon as reasonably practicable.

11.7 PREPAYMENT

This sub-clause applies if the Borrower is obliged to repay the Loan or any part of it under this Clause, Clause 10 or Clause 21.2. In this event the Borrower agrees to pay on the date repayment is due interest accrued on the Loan (or the amount to be repaid) up to that date. If the date repayment is due is not the last day of an Interest Period applicable to the amount being repaid, the Borrower will reimburse each affected Lender for the losses and expenses that Lender has incurred, or will incur, as a result. These losses and expenses may include those incurred in liquidating or otherwise utilising amounts borrowed by the Lender to fund its participation in the Loan (or the amount repaid). They may also include losses and expenses incurred in hedging open positions resulting from the repayment.

11.8 MITIGATION

This sub-clause does not affect the obligations of the Borrower under the other sub-clauses of this Clause. If this Clause applies to a Lender or the Agent, that Lender or the Agent will take all steps reasonably open to it and, as the case may be, will procure that any Lender Group Company takes all steps reasonably open to it, to reduce the additional amounts payable by the Borrower under this Clause or to avoid or reduce the impact of the circumstances referred to in it. These steps may include the transfer of the Lender's rights and obligations under this Agreement to another branch or bank acceptable to the Borrower. The Lender or Lender Group Company or the Agent will not, however, be obliged to do anything which in its opinion would or might have an adverse effect on it.

12. PAYMENTS

12.1 METHOD AND TIMING OF PAYMENTS

All payments under this Agreement must be made in immediately available and freely transferable funds. Each payment must be received by noon on the due date. Each payment must be for value on the due date.

12.2 CURRENCY OF PAYMENT

Each Advance is to be advanced and repaid in the currency in which it is denominated. Interest on an Advance is to be paid in the same currency as the Advance. All other payments are to be made in sterling, unless this Agreement specifies a different currency.

12.3 PAYMENTS IN EURO

Each payment by the Agent in euro will be made in euro units rather than NCU, unless the Agent notifies the recipient otherwise. This does not affect the rights of any party under the EMU legislation or other applicable law to make euro payments in NCU or receive euro payments credited to its account in NCU. The Agent will not be liable for any failure to make payments on their due date arising from any failure in any cross-border euro payment system. In addition, Clause 22.8(A) applies.

12.4 PAYMENTS THROUGH THE AGENT

(A) NORMAL ARRANGEMENTS: All payments by the Borrower or by a Lender under this Agreement will be made through the Agent. Each sterling payment will be made to the account of the Agent with The Royal Bank of Scotland plc, Correspondent Banking Branch, 5-10 Great Tower Street, London EC3P 3HX, account name Credit Suisse First Boston, account number 12302000, CHAPS Code 16-52-24. Each euro payment will be made to the account of the Agent with Citibank N.A., London Branch, account name Credit Suisse First Boston, London Branch, account number 8552940. The Agent will pay on an amount received as soon as practicable.

(B) ALTERNATIVE ARRANGEMENTS: If the Agent believes that it is, or will be, illegal or impossible for it to pay on to a Lender in accordance with paragraph (A), it agrees to notify the Borrower and that Lender. In this case the Borrower and that Lender may agree alternative arrangements for payments to be made to that Lender. Paragraph (A) will not apply to the extent excluded by those alternative arrangements. That Lender agrees to provide notice of the

arrangements to the Agent and will notify the Agent of payments in accordance with Clause 14.1.

(C) APPLICATION OF DEPOSIT PAYMENTS: The Borrower is not required to make payments in accordance with this sub-clause to the extent that an amount is debited from the Charged Account in accordance with Clause 3(D) of the Deposit Agreement and Charge on Cash Deposits.

12.5 PAYMENTS TO THE BORROWER

Each payment by the Agent to the Borrower will be made to the account of the Borrower which is notified to the Agent by the Borrower for this purpose.

12.6 PAYMENTS TO THE LENDERS

Each payment by the Agent to a Lender will be made to the account of that Lender notified to the Agent for this purpose.

12.7 CHANGE OF ACCOUNT

The Borrower or a Lender may change any of its receiving accounts by not less than five Business Days' notice to the Agent. The Agent may change any of its receiving accounts by giving not less than five Business Days' notice to the Borrower and the Lenders.

12.8 REFUNDING OF PAYMENTS BY THE AGENT

This sub-clause applies if the Agent makes a payment out in the mistaken belief that it has received or will receive an incoming payment on a particular day. In this case the person which received the payment from the Agent agrees to return it. It will also reimburse the Agent for all losses and expenses incurred by the Agent as a result of funding the payment. This sub-clause does not affect the rights of the person which received the payment against the person which failed to make the payment to the Agent.

12.9 NON-BUSINESS DAYS

If a payment would be due on a non-Business Day the payment obligation will be deferred until the next Business Day unless that day is in another calendar month. Where it is in another calendar month that payment obligation will be brought forward to the previous Business Day. Interest and commitment fees will be adjusted accordingly.

12.10 PAYMENT IN FULL

All payments by the Borrower will be made in full and without set-off or counterclaim. No payment will be made net of a withholding or deduction, unless this is required by law or by any requirement of a taxing authority with which it is obliged to comply. In this event Clause 11.4 applies.

12.11 SET-OFF

If a Company owes money under this Agreement which is due and payable the person to whom it is owed may set-off this obligation against any moneys owed by that person to that Company. The moneys owed by that party may be in a different currency, arise on a separate transaction or involve another branch. This sub-clause applies even where amounts owed to that Company are not due and payable, if there is an outstanding Termination Event or Potential Termination Event. Where amounts are in different currencies the person to whom money is owed under this Agreement may

convert amounts into the same currency using the then current exchange rate. If a Lender sets off an obligation under this Agreement, that Lender agrees promptly to notify the Company concerned in accordance with Clause 24.3. The notice will provide details of the amount set off.

13. LATE PAYMENT

13.1 DEFAULT INTEREST

The Borrower agrees to pay interest on all amounts unpaid under this Agreement after their due date for payment. This interest will be computed by reference to successive periods selected by the Agent. The first of these periods will start on the due date for payment of the unpaid amount. The rate of interest applicable during each of these periods will be a rate per annum equal to 1% plus:

(A) in the case of an amount in sterling, LIBOR for that period plus the Costs Rate; or

(B) in the case of an amount in euros, EURIBOR for that period,

plus, in either case, the Applicable Margin. This interest will be paid in arrear on the last day of each of these periods and on the date of payment of the unpaid amount. This interest will be payable after as well as before judgment.

13.2 INDEMNITY

If the Borrower fails to make a payment on the due date the Borrower agrees to reimburse the person entitled to the payment for the losses and expenses (including loss of profit) that person incurs, or will incur, as a result. The computation of these losses and expenses will take into account any amount received under Clause 13.1.

14. SHARING AMONG LENDERS

14.1 NOTICE

If an amount due to a Lender (the "RECIPIENT") under this Agreement is discharged other than by payment through the Agent the Lender agrees to notify the Agent and the Borrower in accordance with Clause 24.3. This may occur because of the exercise of a right of set-off, by virtue of a combination of accounts or because of a voluntary or involuntary payment by the Borrower or a Guarantor direct to that Lender. The notification will provide details of the amount discharged and will be delivered no later than ten Business Days after the discharge.

14.2 DETERMINATION BY THE AGENT

Where a Lender has issued a notice under Clause 14.1 the Agent will determine what payments, if any, are due under Clause 14.4. This determination will be made on the basis of the information contained in all the notices delivered to the Agent under Clause 14.1. The determination will be notified to the Borrower and the Lenders.

14.3 LITIGATION

In determining the amount due under Clause 14.4 no account will be taken of an amount due to a Lender which has declined to participate in legal proceedings which resulted in

the payment described in Clause 14.1. This only applies if that Lender could have joined in the proceedings or could have instituted its own proceedings, but failed to do so.

14.4 PAYMENT TO THE AGENT

The Recipient agrees to pay to the Agent an amount calculated as follows:

$$P = D (X - Y)$$

where

P = the amount payable to the Agent

D = the aggregate amount due to the Recipient out of which an amount has been discharged

X = the fraction of D which has been discharged

Y = the fraction which has been discharged, if any, of the aggregate amount due to the Lender which has the greatest proportion of that amount still outstanding.

This amount will be paid no later than five Business Days after receipt of a notice from the Agent under Clause 14.2.

14.5 OBLIGATIONS OF THE BORROWER AND THE GUARANTORS

Any amount due to the Recipient which would otherwise have been discharged as described in Clause 14.1 will be treated as not having been discharged to the extent of an amount which is or will be payable under Clause 14.4 as a result. Accordingly the Borrower and each Guarantor agree to pay this amount to the Recipient as if it had not been discharged. This payment is required to be made whether or not the Agent has issued a determination under Clause 14.2.

14.6 DISTRIBUTION

The Agent agrees to distribute to the Lenders the amount received by it under Clause 14.4 as if that amount had been received from the Borrower in discharge of an amount due under this Agreement. The Borrower will then be treated as having paid that amount.

14.7 RECOVERY

This sub-clause applies if an amount discharged as described in Clause 14.1 is recovered from, or is required to be repaid by, the Recipient. In this case each Lender which received the benefit of a payment made under Clause 14.4 agrees to repay to the Recipient the amount it received. Each of these Lenders will also reimburse the Recipient for any losses or expenses which the Recipient has incurred in connection with the discharged amount or its recovery or repayment. The rights and obligations of the parties shall be restored to the position before any payment became due under Clause 14.4.

PART V : GUARANTEE AND INDEMNITY

15. GUARANTEE

15.1 GUARANTEE

Each Guarantor guarantees the due and punctual performance of all obligations of the Borrower (or, as the case may be, each Restricted Subsidiary) under this Agreement, each Hedging Contract and each Overdraft Facility. This guarantee is unconditional and irrevocable.

15.2 AGREEMENT TO PAY

Each Guarantor agrees to pay on demand each amount due by the Borrower (or, as the case may be, each Restricted Subsidiary) which is unpaid. The demand may be made at any time on or after the due date for payment. Payment will be made in the same currency as the amount due by the Borrower (or, as the case may be, each Restricted Subsidiary).

15.3 CONTINUING GUARANTEE

This guarantee is a continuing guarantee. No payment or other settlement will discharge any Guarantor's obligations until the Borrower's obligations (or, as the case may be, each Restricted Subsidiary's obligations) have been discharged in full.

15.4 OTHER GUARANTEES AND SECURITY

This guarantee is in addition to, and independent of, any other guarantee or security.

15.5 ENFORCEMENT

This guarantee may be enforced before any steps are taken against the Borrower (or, as the case may be, each Restricted Subsidiary) or any other Guarantor or under any other guarantee or Security.

15.6 PRESERVATION OF RIGHTS

This guarantee will only be discharged by (i) the making of payment (in the case of this Agreement, in accordance with Clause 12) in full by the Borrower (or, as the case may be, the relevant Restricted Subsidiary) or any of the Guarantors or (ii) the receipt otherwise of payment in full. It will not be discharged by any other action, omission or fact. Each Guarantor's obligations will, therefore, not be affected by:

(A) The obligations of the Borrower (or, as the case may be, the relevant Restricted Subsidiary) being or becoming void, invalid, illegal or unenforceable.

(B) Any change, waiver or release of the Borrower's (or, as the case may be, the relevant Restricted Subsidiary's) obligations.

(C) Any concession or time being given to the Borrower (or, as the case may be, the relevant Restricted Subsidiary).

(D) The winding-up or re-organisation of the Borrower (or, as the case may be, the relevant Restricted Subsidiary).

(E) Any change in the condition, nature or status of the Borrower (or, as the case may be, the relevant Restricted Subsidiary).

(F) Any of the above events occurring in relation to another Guarantor or any other guarantor or provider of Security or its obligations.

(G) Any failure to take, retain or enforce any other guarantee or Security.

(H) Any circumstances affecting or preventing recovery of amounts due by the Borrower.

(I) Any other matter which might discharge a Guarantor.

Any receipt from any person other than a Guarantor will reduce the outstanding balance only to the extent of the amount received.

15.7 REPRESENTATIONS OF A GUARANTOR

Each Guarantor confirms that it does not have the benefit of any Security in respect of this guarantee or the indemnity in Clause 16.

15.8 COVENANTS OF A GUARANTOR

Each Guarantor agrees as follows:

(A) SECURITY: It will not have the benefit of any Security in respect of this guarantee or the indemnity in Clause 16.

(B) EXERCISE OF RIGHTS: It will not, for so long as a Termination Event or Potential Termination Event has occurred and is outstanding:

(i) take the benefit of any right against the Borrower (or, as the case may be, the relevant Restricted Subsidiary) or any other person in respect of amounts paid under this guarantee; or

(ii) claim or exercise against the Borrower (or, as the case may be, the relevant Restricted Subsidiary) any right to any payment (whether or not connection with this Agreement).

(C) COMPETING PROOF: An Instructing Group may request a Guarantor to submit a proof for amounts due to it by the Borrower or any other guarantor. Each Guarantor agrees to submit a proof promptly in accordance with this request if it is entitled to do so. All amounts received in respect of this proof will be held by that Guarantor on trust for the Agent and the Lenders.

The obligations in this sub-clause will cease to have effect when all the Facilities have ceased to be available and there are no amounts outstanding under this Agreement.

15.9 SUSPENSE ACCOUNT

Any amount received under this guarantee may be placed on suspense account (bearing interest at a commercial rate, which interest shall be credited to the account). Suspense accounts may be held by the Agent or by a Lender. While the amounts are in the suspense account the Agent or any Lender may claim and recover amounts from the Borrower (or, as the case may be, the relevant Restricted Subsidiary), another Guarantor and any other guarantor as if the amount in the suspense account had not

been received. Amounts may be taken out of a suspense account by the person holding that account at any time for application against the amounts outstanding under this Agreement or return to the payer of such amounts.

15.10 DISCHARGE CONDITIONAL

Any settlement with, or discharge of, a Guarantor will be subject to a condition. This condition is that the settlement or discharge will be set aside if any prior payment, or any other guarantee or security, is set aside, invalidated or reduced. In this event each Guarantor agrees to reimburse each Lender and the Agent for the value of the payment, guarantee or security which is set aside, invalidated or reduced.

15.11 PRINCIPAL DEBTOR

Each Guarantor agrees to pay any amount which is expressed to be due from the Borrower (or, as the case may be, the relevant Restricted Subsidiary) but which is not recoverable from a Guarantor as a guarantor. Any amount due under this sub-clause will be recoverable from each Guarantor as though the obligation had been incurred by that Guarantor as sole or principal debtor, but otherwise on the same terms as the obligation was expressed to be incurred by the Borrower (or, as the case may be, the relevant Restricted Subsidiary). This sub-clause is in addition to each Guarantor's obligations as a guarantor. The payment by the Borrower (or, as the case may be, the relevant Restricted Subsidiary) or any Guarantor of any amount payable by virtue of this sub-clause will (subject to Clause 15.10) discharge pro tanto the obligations on each Guarantor to pay the amounts expressed to be payable by it under this sub-clause.

16. GUARANTOR'S INDEMNITY

16.1 INDEMNITY

This Clause applies if the Borrower fails to make a payment expressed to be due under this Agreement on the due date. In this event each Guarantor agrees to reimburse the person entitled to the payment for the losses and expenses (including loss of profit) that person incurs, or will incur, as a result. Each Guarantor also agrees to reimburse each Lender and the Agent for all losses and expenses arising from any obligations of the Borrower being or becoming void, invalid, illegal or unenforceable.

16.2 AMOUNT OF LOSS

For the purposes of this Clause a Lender and the Agent will be treated as having suffered a loss equal to the amount expressed as being due to it by the Borrower, but which is unpaid (taking into account any amounts paid under Clause 15). If this treatment is incorrect the Lender or the Agent will produce evidence of its loss.

PART VI : REPRESENTATIONS, COVENANTS AND TERMINATION EVENTS

17. REPRESENTATIONS

17.1 REPRESENTATIONS

Each Company confirms that each of the following is true as at the Amendment Date (subject, in the case of Clause 17.1(T), as stated in that Clause 17.1(T)):

(A) NATURE OF COMPANY: It is a company duly incorporated and validly existing under the laws of its country of incorporation.

(B) POWERS OF COMPANY: It has power to own its assets and conduct its business as currently conducted. It also has corporate power to sign and deliver those of the Financing Documents to which it is a party (and which it has signed and delivered) and to exercise its rights and perform its obligations under those of the Financing Documents to which it is a party.

(C) AUTHORISATIONS: The signature and delivery on its behalf of those of the Financing Documents to which it is a party (and which it has signed and delivered) and the exercise of its rights and the performance of its obligations under the Financing Documents have been duly authorised by it.

(D) BINDING OBLIGATIONS: This Agreement and the other Financing Documents to which it is a party have been (or, if executed after the Amendment Date, will be when executed) duly signed and delivered by it. Its obligations described in the Financing Documents to which it is a party are (or, if executed after the Amendment Date, will be when executed) its valid and binding obligations in accordance with their terms, subject to the reservations contained in paragraph 8 of the opinion of Slaughter and May (the form of which is set out in Schedule 8) and in any legal opinion delivered under Clause 20.1(R)(i)(c).

(E) LEGALITY AND CONTRAVENTIONS: The signature and delivery on its behalf of the Financing Documents to which it is a party and the exercise of its rights and performance of its obligations under such Financing Documents and the creation of Security by it under the Charges (if applicable):

(i) are not prohibited by applicable law, regulation or order or by its constitutional documents;

(ii) do not require any approval, filing, registration or exemption (other than the perfection of the Security constituted by the Charges by means of registration at H.M. Land Registry, the Land Register, the Register of Sasines, Companies House and the Trade Marks Registry, or as disclosed in any legal opinion delivered under Clause 20.1(R)(i)(c); and

(iii) are not prohibited by, and do not constitute an event of default under, and do not result in an obligation to create Security under, any document or arrangement to which it is a party and which is material in the context of this Agreement.

(F) RANKING OF OBLIGATIONS: Its obligations under the Financing Documents are secured by the Charges. The Charges will, when executed (and subject to the required registrations being made and to any Security permitted by

Clause 20.1(C)(ii) and (iii)), constitute a first priority security interest which is valid and enforceable over the assets referred to in the Charges, subject to the reservations (other than reservation 8(F)) contained in paragraph 8 of the opinion of Slaughter and May (the form of which is set out in Schedule 8) and in any legal opinion delivered under Clause 20.1(R)(i)(c). Amounts due under this Agreement will, for security purposes, rank at least equally with amounts due under the Hedging Contracts and the Overdraft Facilities. No amounts have been repaid by the Borrower under the Subordinated Loan Agreement or the Inter-Company Loan Agreement, and no amounts are repayable until all amounts expressed to be owed under the Financing Documents, the Hedging Contracts and the Overdraft Facilities have been paid in full and the Facilities are no longer available.

(G) NO TERMINATION EVENT: No Termination Event or Potential Termination Event has occurred and is continuing and none will occur as a result of the exercise of its rights or the performance of its obligations under the Financing Documents.

(H) ACCOUNTS: The audited financial statements and the consolidated audited financial statements most recently delivered under Clause 18.1 (including, as at the Amendment Date, those statements most recently delivered before the Amendment Date under the equivalent of the provision now set out in Clause 18.1) give a true and fair view of the results of each Company's operations and the financial position of the Group taken as a whole, the Borrower's Group taken as a whole and the Borrower's Restricted Group taken as a whole. These financial statements were prepared in accordance with Generally Accepted Accounting Principles consistently applied except to the extent that the accompanying notes provide a description of a different treatment.

(I) LITIGATION: There exists no litigation which is reasonably likely to have an unfavorable outcome materially adversely affecting (in the case of the Borrower) its ability to perform its obligations under the Financing Documents or (in the case of any other Company) the Guarantors' ability (taken as a whole) to perform the Guarantors' obligations under the Financing Documents or, in the case of the Borrower, its ability to perform its material obligations under each of the Transmission Agreements.

(J) SECURITY: No Security exists over any of its assets, except as permitted by Clause 20.1(C).

(K) REPRESENTATIONS IN THE CHARGES: The representations given by it in the Charges are true as at the time they are made and repeated.

(L) DTT TRANSMISSION AGREEMENTS: The Borrower has complied with the licences conferred on it to which reference is made in the BBC DTT Transmission Agreement and the ONDIGITAL DTT Transmission Agreement. If there is a breach of any of these licences, but that breach is capable of remedy and that licence has not been terminated or revoked, there will not be a breach of this paragraph.

Each Guarantor confirms that the following is true:

(M) GUARANTEEING POWERS: It has the power to guarantee the whole of the sums available under this Agreement and enter into the Charges. The borrowing of the full amount available under this Agreement does not contravene or exceed any guaranteeing limitation on it (or its directors) under its constitutional

documents or any other document to which it is a party and which is material in the context of this Agreement.

Each of the Borrower and the Parent confirms that each of the following is true:

(N) BORROWING POWERS: The Borrower has the power to borrow the whole of the sums available under this Agreement. The borrowing of the full amount available under this Agreement does not contravene or exceed any borrowing limitation, and the entering into the Charges does not contravene any limitation on giving security, on it (or its directors) under its Memorandum and Articles of Association or any other document to which it is a party and which is material in the context of this Agreement.

(O) NO MATERIAL ADVERSE CHANGE:

(i) There has been no change in financial condition of the Borrower or (taken as a whole) the Guarantors having a material adverse impact on the Borrowers or (taken as a whole) the Guarantors' ability to perform its or their payment obligations under the Financing Documents since the last date as at which each of the covenants in Clause 19.2 were measured. The assessment of whether the change in financial condition is material will be measured against the covenants tested on that date.

(ii) In addition no event or circumstance has occurred and is continuing affecting the business or operations of the Borrower and (taken as a whole) the Guarantors and having a material adverse impact on the Borrower's or (taken as a whole) the Guarantors' ability to perform its or their payment obligations under the Financing Documents. The assessment of whether there has been a material adverse impact will be measured against the business or operations of the Borrower and (taken as a whole) the Parent and the Borrower's Group on the Amendment Date.

(P) AGREEMENTS EFFECTIVE: Each of the Shareholders' Agreement, the Transmission Agreements, the NTL Site Sharing Agreement, the Contract for Services, the Subordinated Loan Agreement and the Inter-Company Loan Agreement is in full force and effect, and the Bonds and any guarantees given by any person in respect of CT Finance's obligations under the Bonds are binding obligations.

(Q) LICENCES, ETC.: All licences, consents and authorisations necessary for the Borrower to conduct its business as currently conducted, and for the members of the Borrower's Restricted Group to conduct the other material businesses operated by the Borrower's Restricted Group (taken as a whole) as currently conducted, are in full force and effect.

(R) BORROWINGS: No member of the Borrower's Restricted Group has any Indebtedness for Borrowed Money, or has issued any guarantees, indemnities or other similar assurances, except as permitted under Clause 20.1(K) or as agreed by the Agent (acting on the instructions of an Instructing Group).

(S) TRANSMISSION AGREEMENTS REPRESENTATIONS: The representations given by the Borrower in each of the Transmission Agreements are true in all material respects as at the time they are made.

(T) INFORMATION MEMORANDUM: As at the date of the Information Memorandum:

(i) the information incorporated in the Information Memorandum is true and correct in all material respects; and

(ii) no material information has been omitted and the financial projections contained in the Information Memorandum have been prepared on a reasonable basis using reasonable assumptions.

In addition, no material adverse change has occurred in relation to the Borrower and (taken as a whole) the Parent and the Borrower's Group after the date of issue of the Information Memorandum which would require the Borrower, acting reasonably, to update the information contained in the Information Memorandum so as to ensure that this information remained true and correct in all material respects and that there were no material omissions or change in the assumptions used in the preparation of the financial projections in the Information Memorandum.

The Borrower confirms that the following is true:

(U) FINANCIAL MODEL: The Financial Model has been prepared on a reasonable basis using reasonable assumptions and the Borrower does not have any reason to believe that it contains a misstatement material in the context of this Agreement.

(V) YEAR 2000:

(i) The Year 2000 Programme Report fairly describes in all material respects (with no material omissions) the investigations and actions which have been undertaken and performed by or on behalf of (taken as a whole) the Borrower's Restricted Group prior to the Amendment Date in relation to: (a) investigations as to whether its computer systems are able to handle date data relating to a date on or after 1st January, 2000; and (b) the actions taken or to be taken which are intended to ensure that such technology is able to handle such data.

(ii) On the basis of the investigations and actions mentioned in sub-paragraph (i) it believes that its business critical equipment and software (including as described in the Year 2000 Programme Report) and that of (taken as a whole) the Borrower's Restricted Group will be unaffected by the change in date caused by the beginning of the new millennium. This statement only applies to the extent that any disruption caused to the operations of Borrower or (taken as a whole) those the Borrower's Restricted Group is reasonably likely to have a material adverse effect on the Borrower or (taken as a whole) the Borrower's Restricted Group.

17.2 REPETITION

All of the representations in Clause 17.1 except those in paragraphs (T), (U) and (V) will be deemed repeated on the making of each Advance and on the first day of each Interest Period. The representations in paragraphs (T) and (U) will be deemed repeated on the date of the first Advance on or after the Amendment Date but not subsequently. The representation in paragraph (V) will be deemed repeated on the making of each Advance which falls on or before 31st March, 2000. Where a representation is deemed repeated this repetition will be with reference to the facts on that day.

17.3 SURVIVAL OF REPRESENTATIONS

Each of the representations made by the Borrower under this Agreement shall survive the making of each Advance (but are only repeated to the extent referred to in Clause 17.2).

17.4 LENDER REPRESENTATIONS

Each Lender represents that each of the following is true:

(A) In respect of a payment of interest to that Lender, that Lender was, at the date the principal amount on which that interest accrued was advanced, a bank for the purposes of section 349(3) of the Income and Corporation Taxes Act 1988.

(B) In respect of a payment of interest to that Lender, the person beneficially entitled to that payment of interest at the time it is paid is within the charge to United Kingdom corporation tax in respect of that interest.

The representations in this sub-clause do not apply where the representations would be untrue as a result of a change in law or Inland Revenue concession or a change in the interpretation or application of law or Inland Revenue concession.

18. INFORMATION COVENANTS

18.1 PERIODIC REPORTS

Each of the Borrower and the Parent agrees to deliver each of the following to the Agent as soon as they become available and, in any event, by the latest date indicated:

	DOCUMENT/INFORMATION	Latest Date
(a)	Annual audited accounts of each Company including profit and loss account, balance sheet and, in the case of the Borrower and the Parent, cash flow statement	90 days after the end of that financial year
(b)	Annual audited consolidated accounts of the Borrower's Group, the Borrower's Restricted Group and of the Group, including profit and loss account, balance sheet and cash flow statement	90 days after the end of that financial year
(c)	Quarterly unaudited management accounts of each Company certified to be correct by the Certifying Financial Officer, including profit and loss account, balance sheet, cash flow statement and statement of capital expenditure	45 days after the end of each quarter of its financial year

(d)	Quarterly consolidated unaudited management accounts of the Borrower's Group, the Borrower's Restricted Group and of the Group certified to be correct by the Certifying Financial Officer, including profit and loss account, balance sheet, cash flow statement and statement of capital expenditure	45 days after the end of each quarter of its financial year
(e)	Monthly management accounts of each Company certified to be correct by the Certifying Financial Officer, including profit and loss account, balance sheet, cash flow statement and statement of capital expenditure	30 days after the end of each calendar month
(f)	Monthly consolidated management accounts of the Borrower's Group, the Borrower's Restricted Group and of the Group certified to be correct by the Certifying Financial Officer, including profit and loss account, balance sheet, cash flow statement and statement of capital expenditure (distinguishing between capital expenditure which is financed from operating income and capital expenditure which is funded from new equity or borrowing)	30 days after the end of each calendar month
(g)	A certificate, signed by the Certifying Financial Officer stating: (i) the amount of Financial Indebtedness on the last day of the Quarter (ii) EBITDA for that Quarter	At the time of delivery of the Borrower's Group's and Borrower's Restricted Group's quarterly financial statements delivered under paragraph (d)
(h)	Annual budget for the Borrower's Group and the Borrower's Restricted Group including projected profit and loss account, balance sheet, cash flow statement and statement of capital expenditure (distinguishing between capital expenditure which is to be financed from operating income and capital expenditure which is to be funded from new equity or borrowing)	60 days after the start of each of its financial years
(i)	Annual budget for the Parent adopted by the Board of Directors of the Parent	60 days after the start of each of its financial years

(j)	A certificate regarding compliance with the financial covenants in Clause 19.2 setting out the necessary computations. This certificate is to be signed by the Certifying Financial Officer	At the time of delivery of each set of the Borrower's Group's and Borrower's Restricted Group's quarterly financial statements delivered under paragraph (d)
(k)	A certificate regarding: (i) compliance with the financial covenants in Clause 19.2; (ii) the amount of Excess Cash Flow; and (iii) the amount of capital expenditure in that financial year (distinguishing between capital expenditure which is financed from operating income and capital expenditure which is funded from new equity or borrowing) setting out the necessary computations. This certificate is to be signed by the Certifying Financial Officer	At the time of delivery of each set of annual consolidated financial statements for the Borrower's Group and Borrower's Restricted Group's delivered under paragraph (b)
(l)	A statement signed by the auditors of the Borrower regarding: (i) compliance with the financial covenants in Clause 19.2; and (ii) the amount of Excess Cash Flow	At the time of delivery of each set of annual consolidated financial statements for the Borrower's Group and Borrower's Restricted Group's delivered under paragraph (b)
(m)	A certificate of Net Disposal Proceeds, setting out the necessary computations. This certificate is to be signed by the Certifying Financial Officer	At the time of delivery of each set of monthly management accounts under paragraph (e)
(n)	A certificate of acquisition price, setting out the necessary computations. This certificate is to be signed by the Certifying Financial Officer	At the time of delivery of each set of monthly management accounts under paragraph (e)
(o)	Details of any treasury transaction as required by Clause 20.1(O)	At the time of delivery of each set of monthly management accounts under paragraph (e)
(p)	A certificate setting out details of any contract which is a Material Contract because it is a contract generating 10% or more of the Borrower's gross revenues. This certificate is to be signed by the Certifying Financial Officer	At the time of delivery of each set of annual audited accounts of the Borrower under paragraph (a)

(q)	A certificate setting out details of the extent to which (i) the Total Annual Investment Limit and (ii) the Unrestricted Entities Investment Limit have been utilised in respect of the current financial year (but taking account of Investment Amounts in previous financial years if relevant to the calculation). This certificate is to be signed by the Certifying Financial Officer	At the time of delivery of the Borrower's Restricted Group's quarterly financial statements delivered under paragraph (d)
(r)	A certificate setting out the confirmation required in Clause 5.3(F)(ii). This certificate is to be signed by the Certifying Financial Officer.	At the time of delivery of each set of monthly management accounts under paragraph (e).

In each case the Borrower and the Parent agree to deliver the number of copies requested by the Agent.

The obligations to deliver the documents described in paragraphs (c), (d), (e), (f) and (i) above, insofar as they relate to the Parent or the Group (other than the Borrower's Group), do not apply if, in the period to which those documents relate (or would relate if they existed), (i) all of the Parent's Subsidiaries are members of the Borrower's Group and (ii) the Parent has no business other than that of holding shares in the Borrower. The obligations to deliver the documents described in paragraphs (b), (d), (f) and (h) above, in so far as they relate to the Borrower's Restricted Group, do not apply if, in the period to which those documents relate (or would relate if they existed) the composition of the Borrower's Restricted Group is identical to the composition of the Borrower's Group.

18.2 GAAP

The Borrower confirms and agrees that all financial statements to which Clause 18.1 applies will be prepared in accordance with applicable law and Generally Accepted Accounting Principles consistently applied except to the extent that the accompanying notes provide a description of a different treatment.

18.3 REQUESTS

The Agent may request any Company to deliver to the Agent information about it or its assets, business or financial condition or any other matter. Each Company agrees to deliver promptly to the Agent the information reasonably requested. No Company will be obliged to deliver any information under this sub-clause if that delivery is prohibited by law or by direction of H.M. Government.

18.4 TERMINATION EVENTS AND OTHER EVENTS
The Borrower agrees to notify the Agent promptly of:

(A) the occurrence of a Termination Event or Potential Termination Event upon becoming aware of such occurrence;

(B) any events or developments that would be reasonably likely to result in the termination of, or any material amendment to, any of the Transmission

Agreements or any material licence, consent or authorisation required for the purposes of its business, upon becoming aware of the same;

(C) any proposal to amend or waive any Material Contract (save for minor amendments); and

(D) the occurrence of any event of default or put event under the Bonds upon becoming aware of such occurrence.

18.5 OTHER INFORMATION

Each of the Parent and the Borrower agrees to deliver to the Agent (to the extent not already delivered under this Agreement):

(A) all information provided to any shareholder in the Parent in its capacity as such;

(B) all information provided to any holder of the Bonds in its capacity as such;

(C) a certified copy of any agreement amending the NTL Site Sharing Agreement to accommodate the DTT transmission network.

(D) any press releases made by or on behalf of the Borrower or the Parent; and

(E) a quarterly update to the Year 2000 Programme Report from the date of this Agreement to 31st March, 2000 and, in any event, a copy of all updates and amendments that are issued to the Year 2000 Programme Report.

18.6 CHANGE OF ACCOUNTING TREATMENT

(A) This sub-clause applies if there is a change in the manner in which the financial statements of a Company or of the Group are prepared or in the accounting principles or standards applied in the preparation of those accounts.

(B) If this sub-clause applies or will apply the Borrower agrees to notify the Agent. The Borrower and the Agent will then negotiate in good faith with a view to making any necessary changes to this Agreement to reflect the change described in paragraph (A). Neither party is bound to continue the negotiations after the date 30 days after the Agent receives the Borrower's notice.

(C) If this sub-clause applies, and agreement is not reached under paragraph (B) above, the Borrower agrees to deliver, with each set of financial statements delivered to the Agent, a reconciliation (audited in the case of audited financial statements). This reconciliation will show the amounts utilised for the purposes of computations required for the purposes of this Agreement as they would have been if no change had occurred. The amounts in this reconciliation will then be used for computations required for the purposes of this Agreement instead of the corresponding amounts in the financial statements delivered under Clause 18.1.

19. FINANCIAL COVENANTS

19.1 DEFINITIONS

(A) In this Agreement:

"BORROWER'S RESTRICTED GROUP" means:

(i) if the Borrower has no Restricted Subsidiaries, the Borrower; and

(ii) if the Borrower has Restricted Subsidiaries, the Borrower and its Restricted Subsidiaries taken as a whole.

"CASH FLOW" for a period means the aggregate of EBITDA for that period:

(i) minus any capital expenditure;

(ii) minus advance corporation tax, mainstream corporation tax and withholding tax and their equivalent in any relevant jurisdiction actually paid or falling due for payment during that period (but excluding any amount paid in that period which was included in the Cash Flow computation for a previous period because it fell due in that previous period);

(iii) plus the amount of any tax rebate or credit in respect of any advance corporation tax, mainstream corporation tax or withholding tax and their equivalent in any relevant jurisdiction actually received in cash by any member of the Borrower's Restricted Group during the period;

(iv) plus Net Disposal Proceeds (but excluding for this purpose the non-cash consideration adjustment referred to in the last sentence of the definition of "Net Disposal Proceeds");

(v) plus the amount paid up or credited as paid during the period (including share premium) on issued share capital of the Borrower;

(vi) plus non-cash stock and share option charges;

(vii) plus or minus any decrease or increase in working capital during the period.

"DEBT COVERAGE" for a period means the ratio of Financial Indebtedness at the end of that period to EBITDA for that period. For this purpose any amounts outstanding drawn to finance the Borrower's working capital requirements (up to an aggregate maximum of (Pounds)10,000,000 or its Equivalent Amount (if drawn in an Optional Currency)) will, to the extent otherwise included, be deducted from Financial Indebtedness.

"EBITDA" for any period means the profit of the Borrower's Restricted Group for that period:

(i) before taking into account all Extraordinary Items (whether positive or negative) but after taking into account all Exceptional Items (whether positive or negative);

(ii) before deducting tax, including advance corporation tax, mainstream corporation tax and their equivalents in any relevant jurisdiction;

(iii) before deducting amortisation of any goodwill and any costs incurred in relation to acquisitions (to the extent that these are expensed);

(iv) before taking into account Net Cash Interest accrued during that period, whether or not paid, deferred or capitalised (before taking into account financing costs in relation to Financial Reporting Standard 4 (Capital Instruments))during that period;

(v) before taking into account amortisation of financing costs calculated in accordance with Financial Reporting Standard 4 (Capital Instruments) during that period;

(vi) after deducting any gain, and adding back any loss, relative to book value arising on the sale, lease or other disposal of any asset during that period and after deducting any gain, and adding back any loss, arising on revaluation of any asset during that period, in each case to the extent that it would otherwise be taken into account;

(vii) before deducting depreciation;

(viii) before deducting non-cash stock and share option charges.

"EXCEPTIONAL ITEMS" has the meaning given to it in FRS 3 issued by the Accounting Standards Board, but excluding any Extraordinary Items.

"EXTRAORDINARY ITEMS" has the meaning given to it in FRS 3 issued by the Accounting Standards Board, and includes those items listed in paragraph 20 thereof.

"FINANCIAL INDEBTEDNESS" on any date means the amount of Indebtedness for Borrowed Money of the Borrower's Restricted Group on that date. For this purpose:

(i) any amounts under paragraph (E) of the definition of "Indebtedness for Borrowed Money" in Clause 1.1 will be excluded;

(ii) only the principal element of obligations (accounted for as such in accordance with Generally Accepted Accounting Principles) in respect of any finance lease to which a member of the Borrower's Restricted Group is a party as lessee will be taken into account under paragraph (F) of that definition;

(iii) no amount of Interest will be included; and

(iv) no amount outstanding under the Subordinated Loan Agreement will be included.

"FIXED CHARGE COVERAGE RATIO" for a period means the ratio of Cash Flow for that period to Fixed Charges for that period.

"FIXED CHARGES" for a period means the aggregate of Total Interest Payable for that period:

(i) plus the amount of any commitment fees and of all other fees payable under this Agreement during such period;

(ii) plus, after the Conversion Date, the amount of any repayment instalment under Facility A which fell due during that period or which would have fallen due during that period had there not been a prepayment made pursuant to Clause 10.1;

(iii) plus all amounts outstanding under the Overdraft Facilities at the end of that period;

(iv) plus all scheduled principal repayments of finance lease obligations which fell due for payment during that period;

(v) plus all obligations in respect of principal and fees (other than upfront or other non-recurring fees) under any agreement falling within paragraph (A) of the definition of Indebtedness for Borrowed Money falling due during such period (to the extent not otherwise taken into account) but excluding (for the avoidance of doubt) obligations in respect of such Indebtedness for Borrowed Money falling within paragraph (F) of such definition;

(vi) plus all Extraordinary Items (whether positive or negative) falling due during such period.

"INTEREST" means interest and amounts in the nature of interest.

"NET CASH INTEREST" for any period means the Interest due and payable during that period as an obligation of any member of the Borrower's Restricted Group (whether or not paid or capitalised during or deferred (but to the extent that deferred Interest is included in Net Cash Interest in such period, any such deferred Interest shall not be included in the calculation of Net Cash Interest in the following period) for payment after such period), but adjusted to take account of:

(i) any amount (other than, in the case of currency hedging agreements or instruments, the original principal amount) receivable or payable during that period by any member of the Borrower's Restricted Group (after deducting all taxes applicable to that amount receivable) under interest rate or currency hedging agreements or instruments; and

(ii) any amount constituting Interest receivable during that period by any member of the Borrower's Restricted Group (after deducting all taxes applicable thereto) in respect of any investment, deposit or loan,

in either case under which all parties are in compliance with their material obligations.

"TOTAL INTEREST PAYABLE" for any period means the Interest due and payable during that period as an obligation of any member of the Borrower's Restricted Group (whether or not paid or capitalised during or deferred (but to the extent that deferred Interest is included in Total Interest Payable in such period, any such deferred Interest shall not be included in the calculation of Total Interest Payable in the following period) for payment after such period), adjusted to take account of any amount (other than, in the case of currency hedging agreements or instruments, the original principal amount) receivable or payable during that period by any member of the Borrower's Restricted Group (after deducting all taxes applicable to that amount receivable) under interest rate and/or currency hedging agreements or instruments under which all parties are in compliance with their material obligations.

(B) (i) All the terms defined in paragraph (A) are to be determined in accordance with the Generally Accepted Accounting Principles and are to be computed from:

(a) the financial statements of the Borrower (if the Borrower has no Restricted Subsidiaries); or

(b) the consolidated financial statements of the Borrower and its Restricted Subsidiaries (if the Borrower has Restricted Subsidiaries),

in each case, delivered pursuant to Clause 18.1.

(ii) For the purposes of Clause 19.1 no item shall be deducted or credited more than once in any calculation.

19.2 FINANCIAL COVENANTS

The Borrower agrees to ensure that the following financial covenants are complied with:

(A) The ratio of EBITDA to Total Interest Payable, computed on the basis of the annualised EBITDA and annualised Total Interest Payable (in each case calculated by multiplying by two the figure which is the aggregate of EBITDA or, as the case may be, Total Interest Payable for the last two Quarters) as at the end of each Quarter, is not to be less than:

Quarter ending	Required Ratio
30th September, 1999	2.50:1
31st December, 1999	2.50:1
31st March, 2000	2.75:1
30th June, 2000	3.00:1
30th September, 2000	3.00:1
31st December, 2000	3.00:1
31st March, 2001	3.00:1
30th June, 2001	3.00:1
30th September, 2001	3.00:1
31st December, 2001	3.00:1
31st March, 2002	3.00:1
30th June, 2002	3.00:1
Thereafter	3.50:1

(B) Debt Coverage computed on the basis of the annualised EBITDA (calculated by multiplying by two the figure which is the aggregate of EBITDA for the last two Quarters) and tested each Quarter (using the amount of Financial Indebtedness on that last day of that Quarter), is not to be more than:

Quarter ending	Required Ratio
30th September, 1999	5.25:1
31st December, 1999	5.25:1
31st March, 2000	5.25:1
30th June, 2000	4.75:1
30th September, 2000	4.50:1
31st December, 2000	4.50:1
31st March, 2001	4.00:1
30th June, 2001	3.75:1
30th September, 2001	3.75:1
31st December, 2001	3.75:1
31st March, 2002	3.50:1
30th June, 2002	3.50:1
30th September, 2002	3.50:1
31st December, 2002	3.50:1
Thereafter	3.00:1

(C) The Fixed Charge Coverage Ratio, computed on the basis of the annualised Cash Flow and the annualised Fixed Charges (in each case calculated by multiplying by two the figure which is the aggregate of Cash Flow or, as the case may be, Fixed Charges for the last two Quarters) and tested each Quarter, is not

to be less than 1.75: 1. The Fixed Charge Coverage Ratio will first be tested in the Quarter ending 30th June, 2002 and subsequently will be tested in each succeeding Quarter.

20. GENERAL COVENANTS

20.1 COVENANTS

Each Company agrees that, unless otherwise agreed by the Agent (acting on the instructions of an Instructing Group):

(A) RANKING OF OBLIGATIONS: It will ensure that its obligations under this Agreement are at all times secured by the Charges to which it is a party.

(B) COMPLIANCE: It will exercise its rights and perform its obligations under the Financing Documents without contravention of applicable laws. If approvals are required to do this it will obtain and maintain them and will comply with their terms. It will also make any necessary filings in respect of the Financing Documents unless these are required to be, or are, made by another person.

(C) NEGATIVE PLEDGE: It will not create or allow to exist (and will procure that no Restricted Subsidiary creates or allows to exist) any Security over any of its assets. This prohibition does not, however, apply to the following:

(i) Security created by the Charges.

(ii) Liens or rights of set-off arising in the ordinary course of trading or by operation of law.

(iii) Title retention or hire purchase arrangements in respect of goods. These arrangements must arise in the ordinary course of trading and on customary terms.

The exceptions in sub-paragraphs (ii) and (iii) do not permit any Security to be created over the Borrower's rights under any of the Transmission Agreements. This paragraph applies to the Parent to the extent only that it relates to the shares which the Parent holds in the Borrower.

(D) DISPOSAL OF ASSETS: It will not (and will procure that each Restricted Subsidiary will not) dispose of any of its assets. This does not apply to disposals:

(i) on an arm's length basis;

(ii) of obsolete or unused assets or as waste; or

(iii) between the Borrower and any Restricted Subsidiary (which is a wholly-owned member of the Borrower's Restricted Group) or between Restricted Subsidiaries (each of which is a wholly-owned member of the Borrower's Restricted Group).

No disposal of any of the Borrower's rights under any of the Transmission Agreements may be made by virtue of any of sub-paragraphs (i), (ii) or (iii). In addition, a disposal is only permitted under sub-paragraphs (i), (ii) or (iii) if the Borrower will be able to carry on the Analogue Transmission Business or the DTT Transmission Business substantially as before. For this purpose the Agent

is entitled to rely on a certificate from the Borrower (signed by a Certifying Financial Officer) to this effect.

For the purposes of this paragraph, the grant of a lease or licence (other than a lease or licence given as part of a site sharing arrangement in the ordinary course of business) is treated as a disposal. Any disposal which would otherwise be permitted under sub-paragraph (iii) above is not permitted to the extent that each of the following applies:

(a) the Net Disposal Proceeds of any disposal of that asset by the acquiror would not, by reason of applicable law, be capable of being made available to the Borrower for the purposes of making a Disposal Prepayment which would otherwise be payable under Clause 10.2 as a result of that disposal by the acquiror; and

(b) at the time of the original disposal to the acquiror any member of the Borrower's Restricted Group was aware or should have been aware that the Net Disposal Proceeds would not be available to the Borrower for the purpose of making that Disposal Prepayment.

This paragraph does not apply to the Parent, who (subject to Clause 20.1(AA) and Clause 20.1(BB)) may dispose of its assets as it sees fit.

(E) COMPLIANCE WITH LAWS: It will (and will procure that each Restricted Subsidiary will) comply with all applicable laws and regulations, and the terms of all permits, authorisations and licences. This paragraph includes, amongst other things, compliance with environmental laws, regulations, permits, authorisations and licences. If there is a breach of such a permit, authorisation or licence, but that breach is capable of remedy and the permit, authorisation or licence has not been terminated or revoked, there will not be a breach of this paragraph. This paragraph does not apply to the Parent.

(F) INSURANCE: It will (and will procure that each Restricted Subsidiary will) maintain insurance relating to its assets and activities against those risks and at those levels which are consistent with the insurance maintained by similar businesses. It also agrees to provide to the Agent evidence of all insurance arranged. This paragraph does not apply to the Parent.

(G) MAINTENANCE OF REPRESENTATIONS: It will take all steps necessary to ensure that those representations in Clause 17.1 which are deemed to be repeated by reason of clause 17.2 remain true and correct when so deemed to be repeated.

(H) AGREEMENTS WITH RELATED PARTIES: It will ensure that all agreements between it and any member of the Equity Consortium or any other shareholder of the Parent or any member of the Group are on an arm's length basis on commercial terms (other than agreements with the Borrower or wholly-owned Restricted Subsidiaries of the Borrower which have become Guarantors in accordance with Clause 20.1(R)). This paragraph does not apply to the Parent.

(I) ENFORCEMENT OF MATERIAL CONTRACTS: It will (and will procure that each Restricted Subsidiary will) ensure that all material rights under all Material Contracts are enforced in accordance with their terms. This paragraph does not apply to the Parent.

(J) PERFORMANCE OF MATERIAL CONTRACTS: It will (and will procure that each Restricted Subsidiary will) perform its obligations under Material Contracts (including under any licences, roll-out or transmission system modification requirements or other performance covenants set out in any of them) in all material respects in accordance with their terms. Defaults:

(i) under any Transmission Agreement giving rise to charges of service credits under that Transmission Agreement of less than (Pounds)500,000 in any financial year; or

(ii) under more than one Transmission Agreement giving rise to service credits of less than (Pounds)1,500,000 in aggregate in any financial year, and defaults under any licence which would not be in breach of Clause 20.1(E) are to be treated as not material. This paragraph does not apply to the Parent.

(K) BORROWINGS: It will not (and it will procure that each Restricted Subsidiary will not) have any Indebtedness for Borrowed Money, or issue any guarantees, indemnities or other similar assurances (each being for the purposes of this paragraph a "GUARANTEE"), except (at any time):

(i) amounts due under: (a) this Agreement; (b) the Overdraft Facilities (as long as the amount outstanding does not exceed (Pounds)5,000,000); and (c) the Hedging Contracts;

(ii) amounts due under finance leases where the aggregate principal elements of obligations in respect of those leases does not exceed (Pounds)3,500,000 in aggregate;

(iii) guarantees of the Borrower's obligations under this Agreement;

(iv) amounts borrowed by the Borrower or a Restricted Subsidiary (which is a wholly-owned member of the Borrower's Restricted Group) from a Restricted Subsidiary (which is a wholly-owned member of the Borrower's Restricted Group) or from the Borrower;

(v) guarantees by the Borrower or a Restricted Subsidiary (which is a wholly-owned member of the Borrower's Restricted Group) of obligations (which are not prohibited by the terms of the Financing Documents) of a Restricted Subsidiary (which is a wholly-owned member of the Borrower's Restricted Group) or the Borrower;

(vi) amounts due in respect of finance provided by suppliers of goods and services in the ordinary course of business and not exceeding (Pounds)1,000,000 in aggregate;

(vii) amounts due from the Borrower to the Parent under the Subordinated Loan Agreement;

(viii) amounts due from the Borrower to CT Finance under the Inter-Company Loan Agreement;

(ix) guarantees of CT Finance's obligations under the Bonds. This applies to guarantees relating to the first issue of bonds under the Bonds. It does not apply to guarantees relating to any issue of further or other bonds;

(x) guarantees of amounts not exceeding (Pounds)500,000 in aggregate;

(xi) Indebtedness for Borrowed Money incurred by, provided by or otherwise made available by the Borrower's Restricted Group in relation to Unrestricted Entities so long as the aggregate amount of Indebtedness for Borrowed Money incurred by, provided by or otherwise made by the Borrower's Restricted Group and outstanding at such time in relation to Unrestricted Entities does not exceed the Unrestricted Entities Investment Limit when aggregated with any other Investment Amounts which have been previously incurred by, provided by or otherwise made available by members of the Borrower's Restricted Group after the Amendment Date in relation to Unrestricted Entities and which (in the case of Indebtedness for Borrowed Money) are outstanding at such time; and

(xii) other borrowings not exceeding (Pounds)5,000,000 in aggregate. This paragraph does not apply to the Parent, who may have Indebtedness for Borrowed Money, or issue guarantees, as it sees fit.

(L) ACQUISITIONS AND JOINT VENTURES:

(i) It will not (and will procure that any Restricted Subsidiary will not):

(a) acquire any business; or

(b) make any investment in any company; or

(c) enter into any joint venture or any joint venture agreement or arrangement where, in any case, it has any obligation to lend to, guarantee, transfer assets to or otherwise fund or incur any liability in respect of this joint venture or to acquire any shares in or assets of this joint venture,

(each a "FURTHER ACQUISITION") unless each of the conditions set out in sub-paragraphs (ii), (iii), (iv) and (v) are satisfied.

(ii) The Further Acquisition must involve a business related to that of the Borrower.

(iii) The consideration for the Further Acquisition:

(a) when aggregated with all other Investment Amounts incurred by, provided by or otherwise made by members of the Borrower's Restricted Group in that financial year, must not exceed the Total Annual Investment Limit; and

(b) when aggregated with all other Investment Amounts incurred by, provided by, or otherwise made available by members of the Borrower's Restricted Group in relation to Unrestricted Entities in the current or any previous financial years (but after the Amendment Date) and which (in the case of Indebtedness for Borrowed Money) are outstanding at such time, must not exceed the Unrestricted Entities Investment Limit.

(iv) The Agent must have been provided with any information (financial or otherwise) in relation to the Further Acquisition as it may reasonably request.

(v) The Certifying Financial Officer must confirm in writing to the Agent that, to the best of his knowledge having made all reasonable enquiries and

without personal liability, the Further Acquisition will not result in it failing to comply with any of its obligations under Clause 19.2 at all times during the next four full Quarters following the date on which the Further Acquisition takes place.

(vi) In addition, this paragraph (L) will not apply:

(a) after the date on which the annualised Debt Coverage is first established to be not more than 3:1 for two successive Quarters; and

(b) for so long as the annualised Debt Coverage remains at no more than 3:1. Annualised Debt Coverage will be calculated as set out in Clause 8.8.

This paragraph does not apply to the Parent, who may acquire businesses or make investments in companies as it sees fit.

(M) INVESTMENTS: It will not (and will procure that each Restricted Subsidiary will not) invest any surplus cash other than in cash deposits with UK clearing banks or in cash equivalent investments. For the purpose of this paragraph "CASH EQUIVALENT INVESTMENTS" means investments in:

(i) marketable obligations of or guaranteed by any of the United Kingdom, the Republic of France or the United States of America or issued by an agency of any of them and backed by any of the same;

(ii) certificates of deposit, notes and acceptances issued by banks which are authorised institutions under the Banking Act 1987 or which are European authorised institutions under the Banking Coordination (Second Council Directive) Regulations 1992 and which are entitled to accept deposits in the United Kingdom or by building societies under the Building Societies Act 1986, so long as such bank or building society's long term senior debt immediately prior to the making of such an investment is rated not less than A- by Standard & Poor's Corporation or not less than A3 by Moody's Investors Services Inc., or (where a bank or building society is rated by both Standard & Poor's Corporation and by Moody's Investors Services Inc.) is rated not less than A- by Standard & Poor's Corporation and not less than A3 by Moody's Investors Services Inc.;

(iii) commercial paper with not more than 187 days to maturity provided that immediately prior to the making of such an investment the issuer (or guarantor) of the commercial paper is rated for short term obligations not less than A1 by Standard & Poor's Corporation or not less than P1 by Moody's Investors Services, Inc., or (where a bank or building society is rated by both Standard & Poor's Corporation and by Moody's Investors Services Inc.) is rated not less than A1 by Standard & Poor's Corporation and not less than P1 by Moody's Investors Services Inc.; or

(iv) any Indebtedness for Borrowed Money issued by persons with a rating of A+ or higher by Standard & Poor's Corporation or A1 or higher by Moody's Investors Services Inc.,

provided that any investment made pursuant to sub-paragraphs (ii), (iii) and (iv) above in or guaranteed by a single bank, building society or other body

corporate in excess of (Pounds)2,500,000 shall not be permitted. This paragraph does not apply to the Parent.

(N) LOANS: It will not (and will procure that each Restricted Subsidiary will not) provide loans or other credit, other than:

(i) normal trade credit;

(ii) loans not exceeding (Pounds)500,000 in aggregate;

(iii) loans to the Borrower or a Restricted Subsidiary (which is a wholly-owned member of the Borrower's Restricted Group) permitted by Clause 20.1(K); and

(iv) loans or other credit which, when aggregated with all other Investment Amounts incurred by, provided by, or otherwise made available by members of the Borrower's Restricted Group and which (in the case of Indebtedness for Borrowed Money) are outstanding at such time, do not exceed either:

(a) in respect of Investment Amounts which are incurred by, provided by, or otherwise made available by members of the Borrower's Restricted Group in the current financial year, the Total Annual Investment Limit applicable to this financial year; or

(b) in respect of Investment Amounts which are (1) incurred by, provided by, or otherwise made available by members of the Borrower's Restricted Group in the current or any previous financial years (but after the Amendment Date) and (2) relate to loans or other credit made available to Unrestricted Entities, the Unrestricted Entities Investment Limit.

This paragraph does not apply to the Parent, who may provide loans or other credit as it sees fit.

(O) TREASURY TRANSACTIONS: It will not (and will procure that each Restricted Subsidiary will not) enter into any interest rate swap, cap, ceiling, collar or floor or any swap, future or option in relation to currency or equity or any commodity contract or option (in any of these cases, whether over the counter or exchange traded) or any similar treasury transaction, other than:

(i) in the case of the Borrower, the Hedging Contracts;

(ii) spot foreign exchange contracts entered into in the ordinary course of business (other than for speculative purposes); and

(iii) the hedging of actual or projected foreign exchange exposures arising in the ordinary course of its business.

Where a Company enters into one of the transactions permitted by sub-paragraphs (ii) or (iii) it will provide details of that transaction to the Agent at the time of delivery of each set of monthly management accounts under Clause 18.1(e) to the extent that such details have not been previously provided to the Agent. No details need be provided, however, of any transaction involving a notional or actual principal amount of less than (Pounds)10,000,000.

This paragraph does not apply to the Parent, who may enter into treasury transactions as it sees fit.

The Borrower agrees that, unless otherwise agreed by the Agent (acting on the instructions of an Instructing Group):

(P) CARRY ON BUSINESS: It will carry on the Analogue Transmission Business and the DTT Transmission Business. These businesses will be conducted in accordance with applicable law.

(Q) INTELLECTUAL PROPERTY: It will maintain all material intellectual property rights required for the purpose of the Analogue Transmission Business, the DTT Transmission Business or any other material business conducted by it in all appropriate jurisdictions.

(R) SUBSIDIARIES:

(i) It will ensure that each of its Subsidiaries becomes a guarantor of amounts due under this Agreement unless it is designated an Unrestricted Subsidiary in accordance with sub-paragraph (ii) or unless sub-paragraph (v) applies. When a company is required to be a Guarantor for the purposes of this paragraph the Borrower agrees to ensure that:

(a) that company duly executes and delivers an Additional Guarantor Agreement substantially in the form set out in Schedule 6 (and for this purpose the Borrower is authorised to execute the Additional Guarantor Agreement on behalf of each Company);

(b) that company duly executes a document of a type described in paragraphs (C) or (D) of the definition of "Charges" in Clause 1.1; and

(c) there is delivered to the Agent evidence reasonably satisfactory to the Agent that the Additional Guarantor Agreement and the document referred to in sub-paragraph (b) above are valid and binding on that Company and (in the case of the document referred to in sub-paragraph (b) above) creates first ranking security (subject to Security permitted under Clause 20.1(C)(ii) and (iii)). This evidence may include items equivalent to those described in paragraphs 4, 5 and 6 of Schedule 3.

Each of the requirements in sub-paragraphs (a), (b) and (c) above must be satisfied within 30 days of a company becoming a Subsidiary of the Borrower. The obligations contained in this paragraph do not apply to:

(1) CT Finance (which shall be deemed to be an Unrestricted Subsidiary with effect from the Amendment Date); or

(2) any Subsidiary of the Borrower whose sole business is to hold and administer pension funds on behalf of the employees of companies in the Group; or

(3) any Subsidiary which is designated an Unrestricted Subsidiary in accordance with sub-paragraph (ii) or in relation to which sub-paragraph (v) applies.

(ii) Where a Further Acquisition which is permitted under Clause 20.1(L) involves the acquisition of, or subscription for shares in, a company (a

"NEW COMPANY") which owns, or is established for the purpose of owning, the business to be acquired or invested in, the Borrower will:

(a) have the right, if the New Company is a Subsidiary (a "NEW SUBSIDIARY"), to designate the New Subsidiary as an "UNRESTRICTED SUBSIDIARY" or to apply to the Agent under sub-paragraph (v); and

(b) upon the acquisition of, or subscription for, the shares of the New Company by it or by any Restricted Subsidiary to which sub-paragraph (v) does not apply, grant, or procure the granting of, a first equitable charge in respect of such shares in favour of the Agent but provided that the Lenders' rights under the equitable charge are subject to any pre-emption rights granted by the relevant member of the Borrower's Restricted Group under any joint venture agreement entered into in connection with the acquisition of, or subscription for, shares in the New Company so long as these pre-emption rights provide for the transfer of the shares to which they relate at fair market value. In such circumstances, the Borrower will not be required to ensure the execution and delivery of the documents and evidence referred to in sub-paragraphs (i)(a),(b) and (c).

(iii) It will ensure that any Unrestricted Subsidiary does not at any time grant to any third party a fixed or floating charge over any assets or property which it shares with or which is owned or used by or in connection with the business of any member of the Borrower's Restricted Group except with the prior written consent of the Agent.

(iv) At any time subsequent to an acquisition of an Unrestricted Subsidiary the Borrower may elect to designate a New Subsidiary as a "RESTRICTED SUBSIDIARY", which designation will take effect upon all the documents and evidence referred to in sub-paragraphs (i)(a), (b) and (c) being delivered to the Agent in a form satisfactory to the Agent.

(v) This sub-paragraph (v) applies where:

(a) the Borrower or a Restricted Subsidiary is proposing to acquire, or subscribe for, shares in a company which upon the proposed acquisition or subscription taking place would become a Subsidiary of the Borrower or a Restricted Subsidiary; and

(b) the Borrower demonstrates to the satisfaction of the Agent that it would be impossible or highly impracticable (having regard to the value of any security or guarantees otherwise required to be provided to the Agent) for the proposed Subsidiary to execute and deliver either or both of the documents referred to in Clause 20.1(R)(i)(a) and (b) and/or comply with the requirement set out in Clause 20.1(Z).

In this event, the Agent will permit the proposed Subsidiary, on becoming a Subsidiary, to be designated a "RESTRICTED SUBSIDIARY" notwithstanding that this proposed Subsidiary will not comply with the requirements set out in Clause 20.1(R)(i)(a), (b) and (c) and/or set out in Clause 20.1(Z).

The Borrower will provide:

(1) legal opinions (in a form and content satisfactory to the Agent) which explain why satisfying the requirements set out in Clause 20.1(R)(i)(a), (b) and/or (c) and/or Clause 20.1(Z) are impossible or highly impracticable.

(2) any information (financial or otherwise) in relation to the proposed Subsidiary as the Agent may reasonably request.

(3) a certificate of the Certifying Financial Officer confirming that, to the best of his knowledge having made all reasonable enquiries and without personal liability, the investment in the proposed Subsidiary will not result in it failing to comply with any of its obligations under Clause 19.2 at all times during the next four full Quarters following the date on which the proposed investment takes place.

(vi) This sub-paragraph (vi) applies where:

(a) the Borrower notifies the Agent that it wishes a CCIC Affiliate to be designated a "RESTRICTED SUBSIDIARY"; and

(b) the Borrower has ensured that this CCIC Affiliate has provided the Agent with the documents and evidence set out (and as specified in) in Clause 20.1(R)(i)(a), (b) and (c).

In this event, the Agent will permit that CCIC Affiliate to be designated a "RESTRICTED SUBSIDIARY" and therefore a member of the Borrower's Restricted Group and to be deemed to be a wholly-owned member of the Borrower's Restricted Group, in each case for the purpose of the Finance Documents.

(S) DISTRIBUTION: It will not make any Distribution, and it will not pay any amounts in respect of interest or principal under the Subordinated Loan Agreement.

(T) CHANGE OF BUSINESS: It will not change the nature of its business or, taken as a whole, that of its Subsidiaries.

(U) ACCOUNTING REFERENCE DATE: It will retain 31st December as its accounting reference date and will make no change to the duration of any of its financial years.

(V) BONDS: It will procure that:

(i) (save for the correction of typographical inconsistencies or manifest errors) the terms and conditions of the Bonds are not amended or waived in any way at the request of CT Finance (or any other member of the Group); and

(ii) CT Finance's obligations under the Bonds are not defeased to any other person, and no other person is substituted for or assumes the obligations of CT Finance in respect of the Bonds.

(W) CT FINANCE AS SUBSIDIARY: It will ensure that CT Finance remains its wholly-owned Subsidiary.

(X) INTER-COMPANY LOAN AGREEMENT: It will procure that:

(i) the terms of Inter-Company Loan Agreement are not amended or waived in any way;

(ii) (save, in the case of the Borrower, for the Charges) neither party to the Inter-Company Loan Agreement assigns its rights or novates its rights and obligations under the Inter-Company Loan Agreement; and

(iii) no payment is made under the Inter-Company Loan Agreement which is greater, or is made earlier, than is required to be made under the terms of the Inter-Company Loan Agreement.

(Y) ABANDONMENT OF DTT: It will not abandon all or any material part of its DTT transmission network.

(Z) FULLY PAID SHARES: It will ensure that all shares directly owned by it, or by any member of the Borrower's Restricted Group (other than a member to which Clause 20.1(R)(v) applies) are charged to the Agent and that all those shares are fully paid, have no liability attaching to the holder and, as against the Agent upon enforcement of the Charges, are free from any restriction on transfer and any rights of pre-emption (except as provided in Clause 20.1(R)(ii)(b)). It will also ensure that the share certificates for all those shares are delivered to the Agent as soon as reasonably practicable after the relevant company obtains possession of those share certificates in its name or in the name of its nominee.

The Parent agrees that, unless otherwise agreed by the Agent (acting on the instructions of an Instructing Group):

(AA) BORROWER AS A SUBSIDIARY: It will ensure that the Borrower remains its wholly-owned Subsidiary.

Each of the Borrower and the Parent agrees that, unless otherwise agreed by the Agent (acting on the instructions of an Instructing Group):

(BB) SUBORDINATED LOAN AGREEMENT: It will not amend or waive any term of the Subordinated Loan Agreement. This paragraph does not, however, prohibit an increase in the principal amount available to the Borrower under the Subordinated Loan Agreement.

The Borrower agrees that, unless otherwise agreed by the Agent (acting on the instructions of an Instructing Group):

(CC) HEDGING POLICY: It will use its best efforts to hedge its interest rate exposure in accordance with the Hedging Policy and the following requirements:

(i) Each Hedging Contract will comply with the requirements of Schedule 11.

(ii) Security may be granted to a Hedging Bank only on an equal basis with the Lenders. This may only be achieved by the counterparty to the Hedging Contract executing and delivering a Hedging Bank Agreement with the Agent substantially in the form of Schedule 10.

(iii) It will use its best efforts to ensure that all Hedging Contracts required by the Hedging Policy are effective by the date 90 days after the Amendment Date.

(iv) The counterparties in all Hedging Contracts must at all times be Lenders or their affiliates.

(v) The aggregate notional principal amount under all the Hedging Contracts will not exceed the Facility A Commitments (provided that, to the extent that the notional principal amount exceeds the Facility A Loan, the Borrower will supply the Agent with details of proposed Facility A Advances to be made by it in respect of this amount).

(vi) The Borrower will notify the Agent before executing any Hedging Contract and before agreeing any transaction under a Hedging Contract. This notification will include details of the commercial terms of the Hedging Contract. In the notification the Borrower will confirm that the proposed Hedging Contract or transaction will not infringe the requirements of this paragraph.

(DD) JOINT VENTURES: It will not (and will procure that none of its Restricted Subsidiaries will) enter into or acquire any interest in any company, partnership or other unincorporated person for the purpose of implementing any joint venture other than by:

(i) the acquisition of stocks, shares or securities in a limited liability company; or

(ii) through a limited liability company established for the purpose of implementing the relevant joint venture.

(EE) SHAREHOLDER SUPPORT: In the event that TeleDiffusion de France International S.A. does not complete the exchange of its shareholding in the Parent for a shareholding in CCIC (the "TDF ROLL-UP") on or before 16th July, 1999, it will procure that TeleDiffusion de France International S.A. gives a support letter substantially in the form of that delivered by CCIC in order to satisfy the requirement set out in paragraph 14 of Schedule 3.

(FF) RESTRICTIVE COVENANT INDEMNITY INSURANCE: Unless copies of the documents identified in the Certificate of Title (provided to the Agent by the solicitors for the Borrower) as missing are provided to the solicitors for the Agent by no later than 25th June, 1999 the Borrower will use its best efforts to put in place by no later than 9th July, 1999 (at its own cost) restrictive covenant indemnity insurance acceptable to the Agent (acting reasonably) in respect of each of the following properties as the same are more particularly described in Part 2 of Schedule 1 to the Debenture, namely:

(i) Bolehill;

(ii) Cheadle Heath; and

(iii) Droitwich;

and ensure that a note of the Lenders' interest is noted thereon.

(GG) POSTWICK: It will use its best efforts to put in place by no later than 9th July, 1999 (at its own cost) restrictive covenant indemnity insurance acceptable to the Agent (acting reasonably) in respect of the property at Postwick as the same is more particularly described in Part 2 of Schedule 1 to the Debenture and ensure that a note of the Lenders' interest is noted therein.

(HH) SUPPLEMENTAL CERTIFICATE OF TITLE: It will use its best efforts to provide the solicitors for the Agent by no later than 25th June, 1999 with a supplemental certificate of title in the agreed form in respect of the property at Swansea as the same is more particularly described in Part 2 of Schedule 1 of the Debenture which will comprise a report on the lease dated 10th February, 1992 made between The Secretary of State for Wales (1) and the British Broadcasting Corporation (2).

20.2 DURATION OF COVENANTS

The obligations under this Clause and Clauses 18 and 19 will cease to have effect when the Facilities have ceased to be available and there are no amounts outstanding under any of the Facilities.

21. TERMINATION EVENTS

21.1 TERMINATION EVENTS

Each of the following is a Termination Event:

(A) NON-PAYMENT: A Company fails to pay an amount due under a Financing Document or a Hedging Contract unless the reason for the failure is technical or administrative. In that case there will be a Termination Event only if that amount is not paid by that or any other Company within 3 Business Days of the due date.

(B) OTHER DEFAULTS: A Company fails to perform any of its other obligations under a Financing Document or a Hedging Contract. There will not, however, be a Termination Event under this paragraph if the failure is capable of remedy and is cured within 14 days of the Borrower becoming aware of the failure.

(C) UNTRUE REPRESENTATIONS: Any statement made, or deemed repeated, in a Financing Document or a Hedging Contract or in any document delivered by a Company under a Financing Document or a Hedging Contract is untrue or misleading when that statement is made.

(D) CROSS DEFAULT: Any Indebtedness for Borrowed Money of a member of the Borrower's Restricted Group other than under a Financing Document or a Hedging Contract:

(i) is not paid or repaid when due for payment or repayment or within any applicable grace period; or

(ii) is, or becomes capable of being, declared due and payable before its stated date of payment in accordance with its terms and by reason of an event of default (however described).

There will not be a Termination Event under this paragraph unless the aggregate amount of the Indebtedness for Borrowed Money to which (i) or (ii) applies exceeds (Pounds)500,000.

(E) INSOLVENCY AND REORGANISATION: Any procedure is commenced with a view to the winding-up or re-organisation of a member of the Borrower's Restricted Group or with a view to the appointment of an administrator, receiver or trustee in bankruptcy in relation to a member of the Borrower's Restricted Group or any of its assets. This procedure may be a court procedure or any other step which under applicable law is a possible means of achieving any of those results. It

will not be a Termination Event, however, if any procedure is commenced with a view to the insolvent winding-up of a member of the Borrower's Restricted Group and this procedure is contested in good faith and dismissed within 28 days of its commencement.

(F) ENFORCEMENT OF SECURITY: The holder of any Security over any of a member of the Borrower's Restricted Group's assets commences the enforcement of that Security in accordance with its terms. This will not be a Termination Event if the aggregate amount secured by the Security is (Pounds)100,000 or less.

(G) ATTACHMENT OR DISTRESS: Any assets of a member of the Borrower's Restricted Group are subject to attachment, sequestration, execution or any similar process in respect of Indebtedness for Borrowed Money of more than (Pounds)100,000.

(H) INABILITY TO PAY DEBTS: A member of the Borrower's Restricted Group:

(i) is unable to pay its debts as they fall due within the meaning of section 123(1) of the Insolvency Act 1986 unless, in the case of section 123(1)(a) only, a statutory notice has been withdrawn, stayed or dismissed within 21 days;

(ii) admits its inability to pay its debts as and when they fall due or seeks a composition or arrangement with its creditors or any class of them; or

(iii) suspends payments of its debts as they fall due,

or the value of the assets of a member of the Borrower's Restricted Group is less than the amount of its liabilities, taking into account its contingent and prospective liabilities at their valued amounts, calculated in accordance with Generally Accepted Accounting Principles.

(I) INSOLVENCY EQUIVALENCE: Anything analogous to any of the events described in paragraphs (E) to (H) (inclusive) occurs in any relevant jurisdiction.

(J) UNLAWFULNESS OR REPUDIATION: It is unlawful for a Company to comply with, or it repudiates, its material obligations under a Financing Document.

(K) CESSATION OF BUSINESS: The Borrower ceases or threatens to cease to carry on a material part of the Analogue Transmission Business, the DTT Transmission Business or any other material part of its business, or any member of the Borrower's Restricted Group ceases or threatens to cease to carry on any other material business operated by the Borrower's Group (taken as a whole). This paragraph does not apply in respect of disposals which are permitted under Clause 20.1(D).

(L) CHANGE OF CONTROL - ANALOGUE TRANSMISSION AGREEMENT: Any event or circumstance described in Clause 13.5.1 of the Analogue Transmission Agreement occurs and subsists as a result of which the BBC is entitled to terminate the Analogue Transmission Agreement (whether or not it exercises its rights to terminate) by virtue of Clause 13.5.1 of the Analogue Transmission Agreement. For the purposes of this paragraph (save where sub-paragraph (iii) applies) any amendment made to the Analogue Transmission Agreement or the Commitment Agreement (as defined in the Share Sale Agreement), and any waiver or consent granted by the BBC, will be disregarded. However, there will not be a Termination Event under this paragraph in any of the following cases:

(i) If all the Lenders have given their prior written consent.

(ii) If the event or circumstance is a flotation of shares as described in Clause 10.4(B).

(iii) If:

(a) the BBC is not entitled to terminate the Analogue Transmission Agreement by virtue of that event or circumstance because the Analogue Transmission Agreement or the Commitment Agreement (as defined in the Share Sale Agreement) has been amended or the BBC has granted a waiver or consent; and

(b) the Agent (acting on the instructions of an Instructing Group) has given its prior written consent provided that such prior written consent will not be required if the TdF Roll-up is completed on or before 16th July, 1999.

(M) CHANGE OF CONTROL - BBC DTT TRANSMISSION AGREEMENT: Any event or circumstance described in Clause 12.7.1 of the BBC DTT Transmission Agreement occurs and subsists as a result of which the BBC is entitled to terminate the BBC DTT Transmission Agreement (whether or not it exercises its rights to terminate) by virtue of Clause 12.7.1 of the BBC DTT Transmission Agreement. For the purposes of this paragraph (save where sub-paragraph (iii) applies) any amendment made to the BBC DTT Transmission Agreement, and any waiver or consent granted by the BBC, will be disregarded. However, there will not be a Termination Event under this paragraph in any of the following cases:

(i) If all the Lenders have given their prior written consent.

(ii) If the event or circumstance is a flotation of shares as described in Clause 10.4(B).

(iii) If:

(a) the BBC is not entitled to terminate the BBC DTT Transmission Agreement by virtue of that event or circumstance because the BBC DTT Transmission Agreement has been amended or the BBC has granted a waiver or consent; and

(b) the Agent (acting on the instructions of an Instructing Group) has given its prior written consent provided that such prior written consent will not be required if the TdF Roll-up is completed on or before 16th July, 1999.

(N) MATERIAL ADVERSE CHANGE: Either of the following occurs:

(i) There is a change in financial condition of the Borrower or (taken as a whole) the Parent and the Borrower's Group having a material adverse impact on the Borrower's or (taken as a whole) the Guarantors' ability to perform its or their payment obligations under the Financing Documents since the last date as at which each of the covenants in Clause 19.2 were measured. The assessment of whether the change in financial condition is material will be measured against the covenants tested on that date.

(ii) An event or circumstance occurs and is continuing affecting the business or operations of the Borrower and (taken as a whole) the

Parent and the Borrower's Group and having a material adverse impact on the Borrower's or (taken as a whole) the Guarantors' ability to perform its or their payment obligations under the Financing Documents. The assessment of whether there has been a material adverse impact will be measured against the business or operations of the Borrower and (taken as a whole) the Parent and the Borrower's Group on the Amendment Date.

(O) LITIGATION: A Company is involved in litigation which is reasonably likely to have an unfavorable outcome materially adversely affecting the Borrower's or (taken as a whole) the Guarantors' ability to perform its or their obligations under the Financing Documents or, in the case of the Borrower, to perform its material obligations under any of the Transmission Agreements.

(P) FAILURE OF PURPOSE: The Borrower cannot use the proceeds of the Facilities for the purposes described in Clause 2.2.

(Q) ILLEGALITY OR TERMINATION OF THE TRANSMISSION AGREEMENTS: Any of the Transmission Agreements is terminated or ceases to be in full force and effect or it becomes illegal for:

(i) the BBC to perform its obligations under the Analogue Transmission Agreement or the BBC DTT Transmission Agreement; or

(ii) ONDIGITAL to perform its obligations under the ONDIGITAL DTT Transmission Agreement.

(R) DEFAULT BY THE BBC: The BBC is due to pay, but has not paid within five Business Days of the due date, amounts under the Analogue Transmission Agreement or the BBC DTT Transmission Agreement in either case in an aggregate amount exceeding (Pounds)5,000,000 (which figure shall be increased each year by applying an indexation factor equivalent to that obtained from the indexation provisions set out in the relevant agreement which relates to the scheduled monthly payments as and when such indexation calculation under the relevant transmission agreement takes place). The Agent may rely on a certificate of the Borrower as to the prevailing default limit figure resulting from such indexation.

(S) DEFAULT BY ONDIGITAL: ONDIGITAL is due to pay, but has not paid within five Business Days of the due date, amounts under the ONDIGITAL DTT Transmission Agreement in an aggregate amount exceeding (Pounds)5,000,000 (which figure shall be increased by applying an indexation factor equivalent to that obtained from the indexation provisions set out in the ONDIGITAL DTT Transmission Agreement as and when such indexation calculation under the ONDIGITAL DTT Transmission Agreement takes place). The Agent may rely on a certificate of the Borrower as to the prevailing default limit figure resulting from such indexation.

(T) FORCE MAJEURE: Any event or circumstances constituting "Force Majeure" (as defined in the relevant Transmission Agreement) occurs under any of the Transmission Agreements. This will only be a Termination Event if it has a material adverse impact on the ability of the Borrower or (taken as a whole) the Guarantors to perform its or their payment obligations under the Financing Documents.

(U) BONDS: The Bonds are redeemed or repurchased in whole or in part at any time prior to their final maturity for any reason or are declared due and payable before their stated date of payment in accordance with their terms and by reason of an event of default. This does not apply to redemptions or repurchases of part where that part, when aggregated with any other such redemptions or repurchases, amounts to not more than (Pounds)500,000 in principal amount.

21.2 CONSEQUENCES OF A TERMINATION EVENT

If a Termination Event occurs and is continuing the Agent may by notice to the Borrower:

(A) cancel the Facilities; or

(B) demand immediate repayment of the Loan,

or both. The Agent agrees to deliver a notice under this sub-clause if an Instructing Group instructs the Agent to do so. In the case of cancellation the Lenders will be under no further obligation to make an Advance. In the case of a demand for repayment the Borrower agrees to pay the Lenders in accordance with the notice.

21.3 INDEMNITY

If there is a Termination Event the Borrower agrees to reimburse the Agent and each Lender for the losses and expenses the Agent or that Lender incurs, or will incur, as a result. Clause 11.7 also applies.

21.4 CURRENCY INDEMNITY

This sub-clause applies where a payment due by a Company under or in connection with a Financing Document is made or is required to be made in a currency other than the specified currency. To the extent that the amount received, when converted into the specified currency, is less than the amount due the Borrower agrees to reimburse the person entitled to the payment for the difference. For the purposes of the computation of this amount that person will apply to the amount received a rate of exchange prevailing on the date of receipt. If, however, that person is unable to use the amount received to buy the specified currency on the date of receipt, the rate of exchange prevailing on the first date on which that person could buy the specified currency will be used instead. The obligation in this sub-clause is a separate and independent obligation.

PART VII : MISCELLANEOUS

22. THE AGENT AND THE ARRANGERS

22.1 APPOINTMENT

The Agent is appointed as an agent by each Lender. The Agent is not acting as agent of any Company under this Agreement except for the limited purpose of signing Substitution Certificates in accordance with Clause 25.3.

22.2 AUTHORITY

The Agent is authorised to exercise the rights, powers, discretions and duties which are specified by the Financing Documents. The Agent may also act in a manner reasonably incidental to these matters.

22.3 DUTIES

In addition to the obligations of the Agent set out elsewhere in the Financing Documents the Agent agrees as follows:

(A) NOTICES: The Agent will as soon as reasonably practicable notify each Lender of the contents of each notice received from a Company under the terms of a Financing Document. If the notice only affects particular Lenders the Agent may elect to notify only those Lenders, in which case it will do so as soon as reasonably practicable.

(B) OTHER DOCUMENTS: When a Company delivers to the Agent any other document required to be delivered under a Financing Document the Agent will as soon as reasonably practicable provide a copy to each Lender. The Borrower agrees to reimburse the Agent for the costs of preparing any copies required for this purpose.

(C) TERMINATION EVENTS: The Agent will notify each Lender of any Termination Event or Potential Termination Event. This obligation will not arise, however, until the Agent receives express notice with reasonable supporting evidence of the Termination Event or Potential Termination Event. Until this time the Agent is entitled to assume that there is no Termination Event or Potential Termination Event. The Agent is not required to make inquiries. Information referred to in Clause 22.11 does not have to be disclosed under this sub-clause.

(D) INFORMATION: The Agent will request the Borrower to deliver to the Agent under Clause 18.3 any information reasonably requested by a Lender.

22.4 POWERS

In addition to the powers of the Agent set out elsewhere in the Financing Documents the Agent has the following powers:

(A) PROFESSIONAL ADVISERS: The Agent may instruct professional advisers to provide advice in connection with the Facilities.

(B) AUTHORITY FROM INSTRUCTING GROUP: The Agent may take any action which is not inconsistent with the Financing Documents and which is authorised by an Instructing Group.

(C) VIEWS OF INSTRUCTING GROUP: In exercising any of its rights, powers or discretions the Agent may seek the views of an Instructing Group. If it exercises those rights, powers or discretions in accordance with those views the Agent will incur no liability.

(D) PROCEEDINGS: The Agent may institute legal proceedings against a Company in the name of those Lenders which authorise it to take those proceedings.

(E) COMPLIANCE WITH LAW: The Agent may take any action necessary for it to comply with applicable laws.

(F) HEDGING AND OVERDRAFTS: The Agent may sign any Hedging Bank Agreement or Overdraft Bank Agreement and the Subordinated Loan Agreement.

The Agent is not required to exercise any of these powers and will incur no liability if it fails to do so. In the context of legal proceedings the Agent may decline to take any step until it has received indemnities or security satisfactory to it.

22.5 RELIANCE

The Agent is entitled to rely upon each of the following:

(A) Advice received from professional advisers.

(B) A certificate of fact received from a Company and signed by an Authorised Person.

(C) Any communication or document believed by the Agent to be genuine. The Agent will not be liable for any of the consequences of relying on these items.

22.6 EXTENT OF AGENT'S DUTIES

(A) NO OTHER DUTIES: The Agent has no obligations or duties other than those expressly set out in the Financing Documents, the Hedging Bank Agreements and the Overdraft Bank Agreements.

(B) ILLEGALITY AND LIABILITY: The Agent is not obliged to do anything which is illegal or which may expose it to liability to any person.

(C) NOT TRUSTEE: The Agent is not acting as a trustee for any purpose in connection with this Agreement, except for its role described in Clause 22.13, 22.14 and 22.15, and as described in the Hedging Bank Agreements and Overdraft Bank Agreements.

22.7 RESPONSIBILITY OF THE LENDERS

Each Lender is responsible for its own decision to become involved in the Facilities and its decision to take or not take action under the Facilities. It should make its own credit appraisal of each Company and the terms of the Facilities. Neither the Agent nor either of the Arrangers makes any representation that any information provided to a Lender before, on or after the date of this Agreement is true. Accordingly each Lender should take whatever action it believes is necessary to verify that information. In addition neither the Agent nor either Co-arranger is responsible for the legality, validity or adequacy of any Financing Document or the efficacy of the Security under the Charges. Each Lender will satisfy itself on these issues.

22.8 LIMITATION OF LIABILITY

(A) AGENT: The Agent will not be liable to the Lenders for any action or non-action under or in connection with the Financing Documents unless caused by its gross negligence or wilful misconduct.

(B) DIRECTORS, EMPLOYEES AND AGENTS: No director, employee or agent of the Agent will be liable to a Lender or a Company in relation to the Financing Documents. Each Lender and each Company agrees not to seek to impose this liability upon them.

22.9 BUSINESS OF THE AGENT

Despite its role as agent of the Lenders the Agent may:

(A) participate as a Lender in the Facilities or as a Hedging Bank or an Overdraft Bank,

(B) carry on all types of business with any Company, and

(C) act as agent for other groups of lenders to any Company or other borrowers.

22.10 INDEMNITY

Each Lender agrees to reimburse the Agent for all losses and expenses incurred by the Agent as a result of its appointment as Agent or arising from its activities as Agent. These losses and expenses will take into account amounts reimbursed to the Agent by the Borrower. The liability of each Lender under this sub-clause will be limited to the share of the total losses and expenses which corresponds to that Lender's share of the Commitments or, if an Advance has been made and is outstanding, the Loan. If the losses or expenses are attributable to an activity of the Agent which relates to only some of the Lenders the Agent may instead notify the Lenders of a different sharing arrangement. In this case the limit of liability of a Lender under this sub-clause will be determined by the Agent. The Lenders are not liable for losses and expenses arising from the gross negligence or willful misconduct of the Agent.

22.11 CONFIDENTIAL INFORMATION

The Agent is not required to disclose to the Lenders any information:

(A) which is not received by it in its capacity as Agent, or

(B) which it receives, with its consent, on a confidential basis.

22.12 RESIGNATION AND REMOVAL

The Agent may resign by giving notice to the Borrower and the Lenders. The Agent may be removed by notice given by an Instructing Group to the Agent and the Borrower. In either event the following apply:

(A) APPOINTMENT BY INSTRUCTING GROUP: An Instructing Group may appoint a new Agent after consultation with the Borrower.

(B) APPOINTMENT BY THE RESIGNING AGENT: If the Agent has resigned and the Instructing Group has not appointed a new Agent within 30 days after the

resigning Agent's notice, the resigning Agent may appoint a new Agent after consultation with the Borrower.

(C) MODE OF APPOINTMENT: A new Agent will be appointed by notice to the Borrower and the Lenders. A new Agent cannot be appointed without its consent.

(D) TIMING OF APPOINTMENT: If the Agent has resigned, the new Agent will become Agent at a time agreed between the new Agent and the resigning Agent. If no time is agreed the new Agent will become Agent 10 Business Days after the notice referred to in paragraph (C). Any resignation or removal of the Agent will not be effective until a new Agent has been appointed and accepted its appointment.

(E) EFFECT OF APPOINTMENT: Upon a new Agent becoming Agent the resigning/removed Agent will cease to be Agent. Accordingly it will be discharged from its obligations and duties as Agent. It will, however, continue to be able to rely on the terms of this Clause in respect of all matters relating to the period of its appointment. The new Agent will assume the role of Agent. It will have all the rights, powers, discretions and duties of the Agent provided for in this Agreement.

(F) TRANSITION: The resigning/removed Agent and the new Agent agree to co-operate to ensure an orderly transition. The resigning/removed Agent agrees to deliver or make available to the new Agent all records, files and information held by it as Agent. This obligation will not require the resigning/removed Agent to disclose any confidential information. the resigning/removed Agent also agrees to transfer the benefit of the Charges, and all rights relating to the Charges, to the new Agent. The Borrower agrees to co-operate, to the extent reasonably necessary, with this transfer. If required by the new Agent the Borrower agrees to execute new Charges in favour of the new Agent on identical terms as the then existing Charges.

22.13 OBLIGATION TO PAY TO THE AGENT

Each Company agrees to pay to the Agent on demand each amount due and payable by that Company to a Lender under any of the Financing Documents. This obligation will be satisfied to the extent that the amount is paid to the Lender in accordance with Clause 12.4. It does not affect the rights of the Lender or the obligation of the Company to the Lender. A payment of an amount under this sub-clause will, however, satisfy that Company's obligation to pay that amount to the Lender.

22.14 HOLDING AS SECURITY TRUSTEE

The Agent agrees that it holds the benefit of:

(A) Clause 22.13; and

(B) the Charges and all Security arising from the Charges,

as trustee on behalf of:

(i) the Lenders;

(ii) each Hedging Bank which executes a Hedging Bank Agreement in accordance with Clause 20.1(CC)(ii); and

(iii) each Overdraft Bank.

All the Agent's rights and claims arising under the items mentioned in paragraphs (A) and (B) are vested in it on this basis.

22.15 SECURITY

(A) PERFECTION OF SECURITY AND TITLE: The Agent:

(i) is not liable for any failure, omission or defect in perfecting the Security constituted by any Charge;

(ii) may accept without enquiry the title to the property over which Security is intended to be created by any Charge.

(B) CUSTODY: The Agent is not under any obligation to hold any title deeds, security documents or any other documents in connection with the property charged by any Charge or to take any steps to protect or preserve these documents. The Agent may permit a Company to retain all these documents in its possession or may deposit them with a nominee or custodian. This paragraph does not apply to documents held in relation to a legal mortgage over, or over an interest in, real property or shares.

22.16 THE ARRANGERS

The Arrangers have no continuing role in connection with the Facilities and are not liable in respect of any matter concerning the Facilities. They are not the agents for any Lender.

22.17 CONFIRMATION OF EACH LENDER

Each Lender confirms to the Agent that, unless it notifies the Agent to the contrary, it will be the beneficial owner of any interest paid to it under this Agreement and it is a bank for purposes of section 349(3)of the Income and Corporation Taxes Act 1988 and will be within the charge to United Kingdom corporation tax in respect of that interest.

23. EVIDENCE AND CERTIFICATES

23.1 EVIDENCE OF DEBT

The Agent will maintain in its books an account showing all liabilities accrued and payments made in relation to the Financing Documents. Details of amounts outstanding recorded in this account will be evidence of each Company's obligations unless there is shown to be an error.

23.2 CERTIFICATES

Each certificate delivered under this Agreement must contain reasonable detail of the matters being certified. Certificates delivered by the Agent or a Lender will be evidence unless there is shown to be an obvious error.

24. NOTICES

24.1 NATURE OF NOTICES

No notice delivered by a Company under this Agreement may be withdrawn or revoked. Each notice delivered by a Company must be unconditional. It must also be signed by an Authorised Person.

24.2 DELIVERY OF NOTICES

A notice under this Agreement will only be effective if it is in writing and is received. Telexes and faxes are permitted.

24.3 NOTICES THROUGH THE AGENT

Each notice from a Company or a Lender will be delivered to the Agent. The Agent agrees to pass on the details of notices received by it to the appropriate recipient as soon as reasonably practicable.

24.4 ADDRESS DETAILS

Notices will be delivered to the address of the intended recipient as set out on the signature page. A Company or a Lender may change its address details by notice to the Agent. The Agent may change its address details by notice to each Company and each Lender.

25. ASSIGNMENT AND NOVATION

25.1 COMPANY

The rights of a Company under this Agreement are personal to it. Accordingly they are not capable of assignment.

25.2 ASSIGNMENT BY A LENDER

A Lender may assign in whole or in part its rights under this Agreement if:

(A) At the same time the proposed assignee assumes the whole or (as the case may be) the relevant part of the Lender's obligations under this Agreement to the satisfaction (acting reasonably) of the Agent and the Borrower;

(B) It is assigning an amount of its Facility A Commitments and an amount of its Facility B Commitments which when these amounts are expressed as a proportion of, in the case of Facility A Commitments, the Total Facility A Commitments and, in the case of Facility B Commitments, the Total Facility B Commitments, results in the same figure; and

(C) The principal amount to be assigned (or, in the case of an amount in the Optional Currency, the Original Sterling Amount) must equal or exceed (Pounds)2,500,000 (or be the remaining amount of its Facility A Commitment and Facility B Commitment).

(D) It obtains the written consent of the Borrower in advance. The Borrower agrees that it will not unreasonably withhold this consent. If the Borrower does not reply

to a written request for consent within 10 Business Days it will be treated as having given its consent. No consent is required where the assignment:

(i) is to another Lender;

(ii) is to an affiliate or Subsidiary or Holding Company of the assignor;

(iii) occurs when there is an outstanding Termination Event; or

(iv) is part of the syndication process arranged by the Arrangers.

Neither the Agent nor any Lender will be obliged to treat any person to whom a Lender makes an assignment as an assignee until that person agrees to pay to the Agent the fee mentioned in Clause 25.3(D).

25.3 NOVATION BY A LENDER

A Lender (the "EXISTING LENDER") may be released from its obligations and surrender its rights under this Agreement to the extent that exactly corresponding obligations and rights are assumed by another lender (the "NEW LENDER") in accordance with the following:

(A) The Existing Lender must novate an amount of its Facility A Commitments and an amount of its Facility B Commitments which when these amounts are expressed as a proportion of, in the case of Facility A Commitments, the Total Facility A Commitments and, in the case of Facility B Commitments, the Total Facility B Commitments, results in the same figure.

(B) The principal amount to be novated (or, in the case of an amount in the Optional Currency, the Original Sterling Amount) must equal or exceed (Pounds)2,500,000 (or be the remaining amount of its Facility A Commitment and Facility B Commitment).

(C) The Existing Lender must obtain the prior written consent of the Borrower to the proposed novation. The Borrower agrees that it will not unreasonably withhold this consent. If the Borrower does not reply to a written request for consent within 10 Business Days it will be treated as having given its consent. No consent is required where the novation:

(i) is to another Lender;

(ii) is to an affiliate or Subsidiary or Holding Company of the assignor;

(iii) occurs when there is an outstanding Termination Event; or

(iv) is part of the syndication process arranged by the Arrangers.

(D) Once the Borrower's written consent is obtained (or treated as obtained), the Existing Lender will deliver to the Agent a Substitution Certificate. This must be signed by both the Existing Lender and the New Lender and be properly completed. It must have attached to it the Borrower's consent. Alternatively it must have attached to it the Existing Lender's request for a consent and a certificate of an officer of the Existing Lender to the effect that such request was received by the Borrower and that no reply was received within 10 Business Days. The Existing Lender will also arrange for the payment of a processing fee to the Agent. The amount of this fee is (Pounds)750 (plus any reasonable expenses) unless the Agent has notified the Lenders of a different amount which has been agreed with an Instructing Group. No fee is payable where the novation is part of the syndication process arranged by the Arrangers.

(E) The Agent will sign the Substitution Certificate no later than 5 Business Days after its receipt and the payment of the processing fee. This signature will be made on behalf of the other Lenders and the Companies as well as itself. Each Lender and each Company irrevocably authorises the Agent to sign in this manner.

(F) The Substitution Certificate will take effect on the date it specifies. On this date:

(i) The Existing Lender is released from its obligations and surrenders its rights to the extent described in the Certificate.

(ii) The New Lender assumes obligations and rights exactly corresponding to those released and surrendered by the Existing Lender.

The Facility A Commitment and Facility B Commitment of the Existing Lender will be reduced accordingly and the New Lender will assume a Facility A Commitment and Facility B Commitment of the amount of the corresponding reduction.

25.4 DISCLOSURE OF INFORMATION

A Lender may disclose to an assignee or New Lender, or to a proposed assignee or New Lender, any information received by the Lender under or in connection with the Financing Documents, including a copy of each of those documents. A Lender may not disclose this information to any of these persons unless that person has executed a confidentiality undertaking substantially in the form set out in Schedule 7.

25.5 LIMITATION ON CERTAIN OBLIGATIONS OF BORROWER

This sub-clause applies to any novation or assignment by a Lender and any change of office through which a Lender is acting. If, at the time it is effected, circumstances exist which would oblige the Borrower to pay to the New Lender, assignee or Lender under Clause 11 any sum in excess of the sum (if any) which it would have been obliged to pay to the Existing Lender, assignor or that Lender under Clause 11 in the absence of that novation, assignment or change, the Borrower shall not be obliged to pay that excess.

26. WAIVERS, AMENDMENTS AND RELEASES OF SECURITY

26.1 WRITING REQUIRED

A waiver or amendment of a term of this Agreement will only be effective if it is in writing.

26.2 AUTHORITY OF THE AGENT

If authorised by an Instructing Group the Agent may grant waivers and agree amendments of any Financing Document with any Company. These waivers and amendments will be granted on behalf of the Lenders and be binding on all of them, including those which were not part of the Instructing Group. This sub-clause does not authorise the Agent to grant any waiver or agree any amendment affecting any of the following:

(A) The identity of any Company.

(B) The amount of the Facilities.

(C) The amount or method of calculation of interest or commitment fee.

(D) The manner, currency or timing of repayment of the Loan or of the payment of any other amount.

(E) The definition of "Facility A Commitment Availability Termination Date" or "Facility Termination Date".

(F) The definition of "Instructing Group", "Restricted Subsidiary" or "Unrestricted Subsidiary".

(G) The obligations of the Lenders.

(H) Any requirement (including the one in this sub-clause) that all the Lenders or a certain proportion of them consent to a matter or deliver a notice.

(I) Clauses 3, 14 or 25.1.

(J) Subject to Clause 26.3, the release of any Security constituted by the Charges.

(K) This Clause 26.2

Waivers or amendments affecting these matters require the consent of all Lenders.

26.3 RELEASE OF SECURITY FOR PERMITTED DISPOSALS

The Agent is authorised by the Lenders to effect the release of any Security constituted by the Charges over any assets which are disposed of by a member of the Borrower's Restricted Group as permitted by Clause 20.1(D).

26.4 EXPENSES

The Borrower agrees to reimburse the Agent and each Lender for the expenses they incur as a result of any proposal made by the Borrower to waive or amend a term of this Agreement or to release any Security.

27. MISCELLANEOUS

27.1 EXERCISE OF RIGHTS

If the Agent or a Lender does not exercise a right or power when it is able to do so this will not prevent it exercising that right or power. When it does exercise a right or power it may do so again in the same or a different manner. The Agent's and the Lenders' rights and remedies under this Agreement are in addition to any other rights and remedies they may have. Those other rights and remedies are not affected by this Agreement.

27.2 COUNTERPARTS

There may be several signed copies of this Agreement. There is intended to be a single Agreement and each signed copy is a counterpart of that Agreement.

28. LAW

This Agreement is to be governed by and construed in accordance with English law.

SCHEDULE 1:
LENDERS AND COMMITMENTS

LENDER	(1) FACILITY A COMMITMENT* (Pounds)	(2) FACILITY B COMMITMENT* (Pounds)	(3) TOTAL OF COMMITMENTS (Pounds)
Credit Suisse First Boston	6,666,666.67	3,333,333.33	10,000,000.00
Credit Lyonnais	6,666,666.67	3,333,333.33	10,000,000.00
The Industrial Bank of Japan, Limited	6,666,666.67	3,333,333.33	10,000,000.00
The Royal Bank of Scotland plc	6,666,666.67	3,333,333.33	10,000,000.00
Scotiabank Europe plc	6,666,666.67	3,333,333.33	10,000,000.00
Allied Irish Banks PLC (London Branch)	5,533,333.33	2,766,666.67	8,300,000.00
The Governor and Company of the Bank of Ireland	5,533,333.33	2,766,666.67	8,300,000.00
The Governor and Company of the Bank of Scotland	5,533,333.33	2,766,666.67	8,300,000.00
Bayerische Landesbank Girozentrale, London Branch	5,533,333.33	2,766,666.67	8,300,000.00
De Nationale Investeringsbank N.V., London Branch	5,533,333.33	2,766,666.67	8,300,000.00
Dexia Project & Public Finance International Bank, London Branch	5,533,333.33	2,766,666.67	8,300,000.00
The Fuji Bank, Limited	5,533,333.33	2,766,666.67	8,300,000.00
KBC Bank N.V., London Branch	5,533,333.33	2,766,666.67	8,300,000.00
Lloyds Bank Plc	5,533,333.33	2,766,666.67	8,300,000.00
Co-operative Bank p.l.c.	3,373,333.33	1,686,666.67	5,060,000.00

LENDER	(1) FACILITY A COMMITMENT* (Pounds)	(2) FACILITY B COMMITMENT* (Pounds)	(3) TOTAL OF COMMITMENTS (Pounds)
Societe Generale, London Branch	3,373,333.33	1,686,666.67	5,060,000.00
The Sumitomo Bank Limited	3,373,333.33	1,686,666.67	5,060,000.00
The Dai-Ichi Kangyo Bank, Ltd	3,373,333.33	1,686,666.67	5,060,000.00
Ulster Bank Limited	3,373,333.33	1,686,666.67	5,060,000.00
	100,000,000.00	50,000,000.00	150,000,000.00

* Rounded to two decimal places.

SCHEDULE 2:
COSTS RATE

The Costs Rate is an addition to the interest rate on an Advance to compensate the Lenders for the cost attributable to an Advance resulting from the imposition from time to time under or pursuant to the Bank of England Act 1998 (the "ACT") and/or by the Bank of England (or other United Kingdom governmental or regulatory authorities or agencies) of a requirement to place non-interest bearing or Special Deposits (whether interest bearing or not) with the Bank of England and calculated by reference to liabilities used to fund the Advance.

The Costs Rate will be the rate determined by the Agent (and rounded upward, if necessary, to four decimal places) as the rate resulting from the application (as appropriate) of the following formula in relation to sterling Advances:

$$\frac{XL + S(L - D)}{100 - (X + S)} \quad \% \text{ per annum}$$

where on the day of application of a formula:

X is the percentage of Eligible Liabilities (in excess of any stated minimum) by reference to which the Agent is required under or pursuant to the Act to maintain cash ratio deposits with the Bank of England;

L is the rate of interest (less the Applicable Margin and the Costs Rate) payable on that day on the related Advance pursuant to Clause 8 of this Agreement;

S is the level of interest-bearing Special Deposits, expressed as a percentage of Eligible Liabilities, which the Lender is required to maintain by the Bank of England (or other United Kingdom governmental authorities or agencies); and

D is the percentage rate per annum payable by the Bank of England to the Lender on Special Deposits.

(X, L, S and D are to be expressed in the formula as numbers and not as percentages. A negative result obtained from subtracting D from L shall be counted as zero.)

The Costs Rate attributable to an Advance or other sum for any period shall be calculated at or about 11.00 a.m. (London time) on the first day of such period for the duration of such period.

The determination of the Costs Rate in relation to any period shall, in the absence of manifest error, be conclusive and binding on all parties to this Agreement.

If there is any change in circumstance (including the imposition of alternative or additional requirements) which in the reasonable opinion of the Agent renders or will render the above formula (or any element of the formula, or any defined term used in the formula) inappropriate or inapplicable, the Agent (following consultation with the Borrower and an Instructing Group) shall be entitled to vary the same. Any such variation shall, in the absence of manifest error, be conclusive and binding on all parties and shall apply from the date specified in such notice.

For the purposes of this Schedule:

The terms "ELIGIBLE LIABILITIES" and "SPECIAL DEPOSITS" shall bear the meanings ascribed to them under or pursuant to the Act or by the Bank of England (as may be appropriate), on the day of the application of the formula.

Any reference to a provision of any statute, directive, order or regulation in this Schedule is a reference to that provision as amended or re-enacted from time to time

CONFIRMED COPY

SCHEDULE 3:
CONDITIONS PRECEDENT TO DRAWING ON OR AFTER THE AMENDMENT DATE

1. A copy of the Memorandum and Articles of Association of the Borrower in the agreed form. This copy must be certified by a director, the secretary or the Director of Legal Services of the Borrower to be complete, up-to-date and in full force and effect.

2. A copy of a resolution of the board of directors of the Borrower approving the Facilities, authorising the signature and delivery of the Financing Documents to which it is a party and approving the borrowing of the aggregate Available Commitments. The resolution must also appoint persons to sign notices on behalf of the Borrower under the Financing Documents to which it is a party and a person or persons to sign certificates under the Financing Documents as a "Certifying Financial Officer" in addition to the senior financial officer. The copy must be certified by a director, the secretary or the Director of Legal Services of the Borrower to be a true copy of duly passed resolutions each of which is in full force and effect.

3. Specimen signatures of all persons authorised by the resolutions referred to in paragraph 2 above. These signatures must be certified by a director, the secretary or the Director of Legal Services of the Borrower to be genuine.

4. A copy of the Memorandum and Articles of Association of the Parent and each other Guarantor in the agreed form. This copy must be certified by a director, the secretary or the Director of Legal Services of the Parent and the relevant Guarantor to be complete, up-to-date and in full force and effect.

5. A copy of a resolution of the board of directors of the Parent and each other Guarantor approving the Guarantee and (as applicable) the Charges and authorising the signature and delivery of the Financing Documents to which it is a party. The copy must be certified by a director, the secretary or the Director of Legal Services of the Parent and the relevant Guarantor to be a true copy of a duly passed resolution which is in full force and effect.

6. A legal opinion from Slaughter and May, English legal advisers to the Agent, substantially in the form set out in Schedule 8.

7. A letter in the agreed form from the Borrower's insurance brokers addressed to the Agent (for the benefit of itself and the Lenders) confirming that the insurance arrangements required by the Financing Documents are in place with respect to the Borrower's business (including the Analogue Transmission Business and the DTT Transmission Business), operations and assets.

8. Property Title Report and Certificates on the material properties (as identified by the Agent) addressed to the Agent (for the benefit of itself and the Lenders), in the agreed form.

9. Copies certified by the Borrower as true, complete and up-to-date (or, as appropriate, executed originals) of the following documents in the agreed form:

   (a) Shareholders' Agreement;

   (b) Fee Letters from the Arrangers and the Agent, each counter-signed by the Borrower;

   (c) Supplemental and Amendment Deed;

   (d) Deposit Charge Amendment Agreement;

   (e) Transmission Agreements;

(f) NTL Site Sharing Agreement;

(g) Contract of Services;

(h) Subordinated Loan Agreement; and

(i) the agreement between the Borrower and CT Finance amending the Inter-Company Loan Agreement.

10. Share certificates in respect of all the issued share capital in the Borrower, and blank stock transfer forms duly executed by the Parent in respect of those share certificates.

11. A copy of the share register of the Borrower showing the Parent as the registered holder of the entire issued share capital of the Borrower. This copy must be certified by a director, the secretary or the Director of Legal Services of the Borrower to be complete and up-to-date, as at the Amendment Date.

12. Completed Land Registry cover (and the relevant fee in each case) in respect of the properties listed in Schedule 1 of the debenture described in paragraph (A) of the definition of "Charges" in Clause 1.1 together with, in the case of those properties for which an application for first registration has to be made, all relevant title deeds and documents and the results of all pre-completion searches including Land Charges Act search results.

13. The acknowledgements set out in Part 2 of Schedule 3 of the Debenture, signed on behalf of the BBC and ONDIGITAL respectively.

14. Evidence satisfactory to the Agent of comfort given by CCIC as to maintenance of support of, and levels of shareholding, in the Borrower (through the Parent) so as not to entitle the BBC to exercise its right to terminate the Analogue Transmission Agreement or the BBC DTT Transmission Agreement on a change of control of the Borrower.

15. Evidence satisfactory to the Agent that ONDIGITAL consents to the charge taken over the ONDIGITAL Transmission Agreement.

16. The Financial Model addressed to the Agent (for the benefit of itself and the Lenders).

17. The Hedging Policy.

18. A certificate of the Certifying Financial Officer stating (a) the amount of Financial Indebtedness on the last day of the Quarter immediately preceding the date of delivery of this certificate and (b) EBITDA for that Quarter.

19. All share certificates relating to the shares held by the Borrower in Millennium and blank transfers of these shares executed by the Borrower with the name of the transferee left blank and stamped.

20. The Year 2000 Programme Report in the agreed form.

21. The letter from the Borrower to the Agent in relation to certain litigation and dated on or before the Amendment Date.

CONFORMED COPY

SCHEDULE 4:
FORM OF SUBSTITUTION CERTIFICATE

CASTLE TRANSMISSION INTERNATIONAL LTD.

(Pounds)150,000,000 TERM AND REVOLVING LOAN FACILITIES UNDER LOAN AGREEMENT
DATED 28TH FEBRUARY, 1997 (AS AMENDED)

SUBSTITUTION CERTIFICATE

To: [Name and address of the Agent]

This certificate is delivered to you for the purposes of Clause 25.3 of the Loan Agreement under which you are currently Agent.

Name of Existing Lender: _____

Name of New Lender: _____

Details of substitution:

[Insert details distinguishing between Facilities and between undrawn commitment and participation in the Loan and other amounts due under the Facility]

Date of effect of substitution: _____

The substitution described above will take effect in accordance with Clause 25.3 of the Loan Agreement.

The Existing Lender and the New Lender agree as follows:

1. The New Lender is responsible for its own decision to become involved in the Facilities. It should make its own credit appraisal of the Companies and the terms of the Facilities. Neither the Existing Lender nor the Agent makes any representation that any information provided to the New Lender before, on or after the date of this certificate is true. Accordingly the New Lender should take whatever action it believes is necessary to verify that information. In addition neither the Existing Lender nor the Agent is responsible for the legality, validity or adequacy of the Loan Agreement. The New Lender will satisfy itself on these issues.

2. There is no obligation on the Existing Lender to accept any novation or assignment back of the rights and obligations referred to in this certificate. The Existing Lender accepts no obligation to indemnify the New Lender for any losses incurred as a result of a failure by the Borrower or any Guarantor to perform its obligations or for any other losses. The New Lender acknowledges this is the case.

The New Lender represents that each of the following is true:

(A) In respect of any payment of interest to be made to it, that New Lender will be, at the date the principal amount on which that interest accrued is advanced, a bank for the purposes of section 349(3) of the Income and Corporation Taxes Act 1988.

(B) In respect of any payment of interest to be made to it, the person beneficially entitled to that payment of interest at the time it is paid is within the charge to United Kingdom corporation tax in respect of that interest.

The above representations do not apply where the representations would be untrue as a result of a change in law or Inland Revenue concession or a change in the interpretation or application of law or Inland Revenue concession.

This certificate is to be governed by and construed in accordance with English law.

Existing Lender
- ---

[Name of Existing Lender]

By:

New Lender

[Name of New Lender]

By:

Agent (on behalf of the other Lenders, the Companies and itself)

[Name of Agent]

By:

Date:

Notice details for New Lender

(if it is not already a

Lender):

Address:

Fax Number:

Telex Number:

Attention:

SCHEDULE 5:
FORM OF NOTICE FOR THE ADVANCE

To: [Name of Agent]

Attention: [ ]

From: Castle Transmission International Ltd. Date: [ ]

Dear Sirs,

(Pounds)150,000,000 TERM AND REVOLVING LOAN FACILITIES UNDER
LOAN AGREEMENT DATED 28TH FEBRUARY, 1997 (AS AMENDED)

1. We refer to the above agreement between yourselves as Agent, us as Borrower and various other parties (the "Agreement"). Terms defined in the Agreement have the same meaning in this notice.

2. We would like to draw an Advance under Facility [A]/[B] in [currency] in the amount of [amount] on [date].

3. The Interest Period should be [ ] months.

4. Please pay the above Advance to account number [ ] with [ ] in favour of ourselves.

5. We confirm that, today and on the Advance Date:

   (a) the representations in Clause 17.1 of the Agreement [(other than paragraphs (T) [,] [and (U))] [and (V)]* are true; and

   (b) there is [and will be] no outstanding Termination Event [or Potential Termination Event.]**

6. The purpose of the Advance is [ ].

Yours faithfully,

for and on behalf of

Castle Transmission International Ltd.

- ---

* [Note: The representations in Clause 17.1(T) and Clause 17.1(U) are to be given on the date of the first Advance on or after the Amendment Date. The representation in Clause 17.1(V) is to be given on the making of each Advance which falls on or before 31st March, 2000.

** [Note: The statement in square brackets will not be required to be made where the notice is given to roll over an existing Advance (without increasing the amount of this Advance) for an Interest Period of no more than one month at any time when no Termination Event has occurred and is continuing.]

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SCHEDULE 6:
FORM OF ADDITIONAL GUARANTOR AGREEMENT

ADDITIONAL GUARANTOR AGREEMENT

DATE :

PARTIES

1. [ ], a company incorporated in [ ] (number [ ]), of [address] (the "NEW GUARANTOR")

2. CASTLE TRANSMISSION INTERNATIONAL LTD., a company incorporated in England (number 3196207) whose registered office is at Warwick Technology Park, Gallows Hill, Heathcote Lane, Warwick CV34 6TN, on its own behalf and on behalf of each of the existing Guarantors (each as defined in the Loan Agreement referred to below)

3. CREDIT SUISSE FIRST BOSTON (the "AGENT"), on its own behalf and on behalf of each of the Lenders (as defined in the Loan Agreement)

BACKGROUND

A Loan Agreement (the "LOAN AGREEMENT") was made on 28th February, 1997 (and amended on 21st May, 1997 and on 18th June, 1999) between (1) Castle Transmission International Ltd. as borrower, (2) Castle Transmission Services (Holdings) Ltd. as guarantor, (3) the lenders named in the Loan Agreement, (4) Credit Suisse First Boston as Agent, (5) Credit Suisse First Boston as lead arranger and others. Under the terms of the Loan Agreement the Lenders agreed to provide to the Borrower a (Pounds)150,000,000 credit facility.

Under Clause 20.1(R) of the Loan Agreement the New Guarantor needs to become a guarantor.

The parties agree as follows:

1. INTERPRETATION

Unless a contrary intention is indicated, words and expressions defined in the Loan Agreement will have the same meanings when used in this Agreement. References to the Loan Agreement are to that agreement as amended or supplemented.

2. INCORPORATION OF ADDITIONAL GUARANTOR

With effect from the date of this Agreement the New Guarantor will:

(a) become a party to the Loan Agreement as if it had been an original signatory as a guarantor; and
(b) become a "Guarantor" within the definition in Clause 1.1 of the Loan Agreement.

The New Guarantor, each other Company, each Lender and the Agent agrees to be bound by the Loan Agreement on this basis.

3. REPRESENTATIONS BY THE NEW GUARANTOR

The New Guarantor confirms in respect of itself that the representations in Clause 17.1(A) to (L) inclusive of the Loan Agreement if stated at the date of this Agreement with reference to the New Guarantor and the facts subsisting on the date of this Agreement, are true.

4. CONSTRUCTION

This Agreement and the Loan Agreement will be read and construed as one document. References in the Loan Agreement to the Loan Agreement (however expressed) will be read and construed as references to the Loan Agreement and this Agreement.

5. NOTICES

The notice details of the New Guarantor for the purpose of Clause 24.4 are as follows:

[ ]

Fax number: [ ]

Telex number: [ ]

Attention: [ ]

6. LAW

This Agreement is to be governed by and construed in accordance with English law. The New Guarantor intends to execute this Agreement as a deed and agrees to execute and deliver it as a deed. [Jurisdiction clause and appointment of agent for the service of process to be inserted in the case of a New Guarantor incorporated outside England.]

SIGNATURES

[Name of New Guarantor]

Executed as a deed by the signatures

of a director and the secretary or of

two directors of the company

By: (Director)

By: (Director/Secretary)

Castle Transmission International Ltd.

By:

[Name of Agent]

By:

CONFORMED COPY

SCHEDULE 7:
FORM OF CONFIDENTIALITY UNDERTAKING

Castle Transmission International Ltd. (the "BORROWER")

(Pounds)150,000,000 TERM AND REVOLVING LOAN FACILITIES UNDER LOAN AGREEMENT DATED 28TH FEBRUARY, 1997 (AS AMENDED) (THE "FACILITY AGREEMENT")

In connection with your interest in the (Pounds)150,000,000 term and revolving Loan Facilities for the Borrower (the "FACILITIES") constituted by the Facility Agreement, you (the "RECIPIENT") may be provided with certain information and material by ourselves (being an existing lender (the "EXISTING LENDER") under the Facilities.

The Recipient agrees with the Existing Lender (for itself and as trustee for the benefit of the Borrower) that:

1. For the purposes of this confidentiality agreement, "CONFIDENTIAL INFORMATION" means all information disclosed by the Existing Lender (or any of its agents, representatives or advisers) concerning the Facilities, the Borrower or any member of the group of companies of which the Borrower is a member. However, it does not include information which (i) is already in the Recipient's possession at the time of disclosure, or (ii) is at the time of its disclosure, or which later becomes, part of the public domain.

2. The Recipient will treat the Confidential Information, and the fact that negotiations are taking place, as confidential. The Recipient agrees to disclose the Confidential Information only to those of the Recipient's agents, representatives and advisers who need the Confidential Information for the purpose of evaluating the Facilities. The Confidential Information shall not be used by any such person for any other purpose.

3. The Recipient will return (or, as regards Confidential Information disclosed to its agents, representatives and advisers, endeavour to return) the Confidential Information to the Existing Lender, without retaining any copies or summaries of it, promptly upon the written request of the Existing Lender. Alternatively the Recipient may promptly arrange for the destruction of the Confidential Information and supply written evidence to the Existing Lender of such destruction. However, to the extent that Confidential Information has been incorporated (either fully or partially) into analyses, compilations, studies or other documents prepared by the Recipient, the Recipient need not return or destroy that information provided that it treats that information as confidential in accordance with paragraph 2 above.

4. The Recipient (or any of its agents, representatives or advisers) may be required to disclose Confidential Information for the purposes of any judicial, administrative or governmental proceeding. In this case the Recipient will promptly notify the Existing Lender and the Borrower. However, if on legal advice the Recipient (or any of its agents, representatives or advisers) is compelled to make disclosure of Confidential Information or else stand liable for contempt or other censure or penalty, it is not under any obligation to delay disclosure (i) in order to notify the Existing Lender and the Borrower before disclosure, if giving that notice before disclosure is not practicable, or (ii) once it has notified the Existing Lender and the Borrower, for any reason whatever.

5. Any questions concerning the Confidential Information must be directed by the Recipient exclusively to the Existing Lender. The Recipient will not approach the Borrower or any member of its group without prior written consent of the Existing Lender.

6. The Recipient understands that the Existing Lender (and its agents, representatives or advisers) is not making any representation or warranty as to the accuracy or completeness of the Confidential Information, and neither, save to the extent set out in the Facility

Agreement, is the Borrower or any other member of the group of companies of which the Borrower is a member. The Existing Lender (for itself and on behalf of its agents, representatives and advisers and, save to the extent set out in the Facility Agreement, the Borrower and the other members of the group of companies of which the Borrower is a member) disclaims any and all liability arising from the Recipient's use of the Confidential Information.

7. The obligations imposed on the parties under this confidentiality agreement will terminate on the date two years after the date on which the Recipient signs this confidentiality agreement below.

8. This confidentiality agreement shall be governed by and construed in accordance with English law, and the Recipient hereby irrevocably submits for the benefit of the Existing Lender, the Borrower and the other members of the group of companies of which the Borrower is a member to the jurisdiction of the courts of England in connection with any dispute related to or brought under it.

.....
For and on behalf of
[Existing Lender] (on its own
behalf and as trustee for the
benefit of the Borrower and the
other members of the group
of companies of which the
Borrower is a member)

.....
For and on behalf of
[Recipient]

Date .....

CONFORMED COPY

SCHEDULE 8:
FORM OF OPINION OF SLAUGHTER AND MAY

Credit Suisse First Boston,

Five Cabot Square,

London, E14 4QR.

for itself as Agent and for the Lenders

(as defined in the Loan Agreement referred to below)

Dear Sirs,

INTRODUCTION

1. We refer to:

(B) the "LOAN AMENDMENT AGREEMENT", being the loan amendment agreement dated [ ] June, 1999 and made between (1) Castle Transmission International Ltd. (formerly known as Castle Transmission Services Ltd.) (the "BORROWER"), (2) Castle Transmission Services (Holdings) Ltd. (the "PARENT") and Millennium Communications Limited ("MILLENNIUM") (both known as the "GUARANTORS"), (3) the Lenders listed in Schedule 1 to the Loan Amendment Agreement (the "LENDERS"), (4) Credit Suisse First Boston as lead arranger, (5) [ ] as arrangers and (6) Credit Suisse First Boston as agent, amending the (Pounds)162,500,000 term and revolving facilities agreement dated 28th February, 1997 as amended to a (Pounds)64,000,000 revolving facilities agreement on 21st May, 1997 and as acceded to by Millennium with effect from 27th October, 1998 (the "LOAN AGREEMENT");

(C) the "SUPPLEMENTAL AND AMENDMENT DEED", being the supplemental and amendment deed dated [ ] June, 1999 made between (1) the Borrower, (2) the Parent, (3) Millennium, and (4) Credit Suisse First Boston as agent, amending the debenture dated 28th February, 1997 which was made between the same parties (except Millennium) and acceded to by Millennium with effect from 27th October, 1998 (the "DEBENTURE"); and

(D) the "DEPOSIT CHARGE AMENDMENT AGREEMENT" being the deposit charge amendment agreement dated [ ] June, 1999 amending the deposit agreement and charge on cash deposits dated 28th February, 1997, as amended on 21st May, 1997, made between (1) Credit Suisse First Boston (as trustee for the Lenders) and (2) the Borrower (the "DEPOSIT CHARGE AGREEMENT").

2. Terms and expressions defined in the Loan Amendment Agreement, the Supplemental and Amendment Deed and the Deposit Charge Amendment Agreement (the "DOCUMENTS") which are not otherwise defined in this opinion have the same meanings when used in this opinion.

3. We have acted as English legal advisers on your behalf in connection with the Documents.

4. This letter sets out our opinion on certain matters of English law as at today's date. We have not made any investigation of, and do not express any opinion on, any other law. This letter is to be construed in accordance with English law.

DOCUMENTS AND INVESTIGATIONS

5. For the purposes of this letter, we have examined the following:

(A) A signed copy of the Loan Amendment Agreement and the Deposit Charge Amendment Agreement and an executed copy of the Supplemental and Amendment Deed.

(B) A copy of each of the Loan Agreement, the Debenture, and the Deposit Charge Agreement (in each case, in the form in effect immediately before the signing and execution of the Documents).

(C) A copy, certified by the company secretary of the Borrower to be a true, complete and up-to-date copy, of the Memorandum and Articles of Association of the Borrower.

(D) A copy, certified by the company secretary of the Parent to be a true, complete and up-to-date copy, of the Memorandum and Articles of Association of the Parent.

(E) A copy, certified by the company secretary of Millennium to be a true, complete and up-to-date copy, of the Memorandum and Articles of Association of Millennium.

(F) A copy, certified by the company secretary of the Borrower to be a true, complete and up-to-date copy, of resolutions of a meeting of the board of directors of the Borrower held on [ ], 1999.

(G) A copy, certified by the company secretary of the Parent to be a true, complete and up-to-date copy, of resolutions of a meeting of the board of directors of the Parent held on [ ], 1999.

(H) A copy, certified by the company secretary of Millennium to be a true, complete and up-to-date copy, of resolutions of a meeting of the board of directors of Millennium held on [ ], 1999.

(I) The entries shown on the microfiches (obtained by us from Companies House, London on [ ] June, 1999) of the file of each of the Borrower, the Parent and Millennium maintained at Companies House (the "MICROFICHES").

(J) The certificates (the "MILLENNIUM SHARE CERTIFICATES") in respect of the shares (the "MILLENNIUM SHARES") held by the Borrower in Millennium.

ASSUMPTIONS

6. For the purposes of this letter, we have assumed each of the following:

(A) (i) The information disclosed by the Microfiches, by our searches on [ ] June, 1999 of the Companies House database (CH Direct) and by our [telephone][personal] search on [ ] June, 1999 at the Central Registry of Winding-up Petitions in relation to the Borrower, the Parent and Millennium was then accurate and complete and has not since then been altered or added to.

(ii) The Microfiches and such enquiries did not fail to disclose any information relevant for the purposes of this opinion.

(B) The board minutes referred to in sub-paragraphs 5(F), (G) and (H) truly record the proceedings described therein of duly convened, constituted and quorate meetings of the boards of directors of each of the Borrower, the Parent and Millennium, respectively, these boards of directors were acting in the best interests and for the proper purposes of the Borrower, the Parent and Millennium, and the meetings were duly held and the resolutions passed and authorisations given at those meetings have not subsequently been amended, revoked or superseded.

(C) None of the Borrower, the Parent or Millennium has passed any voluntary winding up resolution, no petition has been presented or order made by a court for the winding up, dissolution or administration of the Borrower, the Parent or Millennium and no receiver, administrative receiver, trustee, administrator or similar officer has been appointed in relation to the Borrower, the Parent or Millennium or any of their assets or revenues.

(D) Each of the parties to the Documents (other than the Borrower, the Parent and Millennium) has the capacity, power and authority to sign or execute and deliver the Documents and to exercise its rights and perform its obligations under the Documents.

(E) All documents submitted to us as copies conform with the originals.

(F) All signatures are genuine.

(G) Each of the Documents has been duly signed or executed and unconditionally delivered by each of the parties thereto.

(H) That no law of any jurisdiction outside England would render such execution or delivery illegal or ineffective and that, in so far as any obligation under the Documents falls to be performed in, or is otherwise subject to, any jurisdiction other than England, its performance will not be illegal or ineffective by virtue of the law of that jurisdiction.

(I) The Supplemental and Amendment Deed and the Deposit Charge Amendment Agreement will be delivered for registration with the Registrar of Companies in accordance with Part XII of the Companies Act 1985 as recommended in paragraph 8(A) below, and that the Supplemental and Amendment Deed will be delivered for registration with H.M. Land Registry as recommended in paragraph 8(B) below.

(J) The execution and delivery of the Loan Amendment Agreement, the Supplemental and Amendment Deed by each of the Borrower, the Parent and Millennium is (i) in the furtherance of the objects authorised by the Parent's and Millennium's memorandum of association, and (ii) to the commercial advantage and in the interests of the Borrower, the Parent and Millennium.

(K) All matters set out as assumptions and contained in paragraph 6 of the opinion set out in a letter to you of 28th February, 1997 and in paragraph 6 of the opinion set out in a letter to you of 21st May, 1997.

(L) That the Millennium Shares have been duly transferred by Crown Castle International Corporation ("CCIC") to the Borrower and that CCIC was immediately before such transfer, and the Borrower is, immediately after such transfer, the absolute legal and beneficial owner of the Millennium Shares.

(M) That the Millennium Share Certificates are the only certificates in respect of the Millennium Shares and that the Millennium Shares referred to in those Millennium Share Certificates represent the whole of the issued share capital of Millennium.

OPINION

7. Based on and subject to the foregoing, and subject to the reservations mentioned in paragraph 8 (below) and to any matters not disclosed to us, we are of the opinion that:

(A) Each of the Borrower, the Parent and Millennium is a limited liability company duly incorporated and validly existing under English law and has all requisite corporate power and authority to enter into and perform its obligations under the Documents to which it is a party.

(B) All necessary corporate action required to authorise the execution, delivery and performance by each of the Borrower, the Parent and Millennium of the Documents to which it is a party has been taken.

(C) The Loan Agreement (as amended by the Loan Amendment Agreement, together the "AMENDED LOAN AGREEMENT"), the Debenture (as amended by the Supplemental and Amendment Deed, together the "AMENDED DEBENTURE") and the Deposit Charge Agreement (as amended by the Deposit Charge Amendment Agreement, together the "AMENDED DEPOSIT CHARGE AGREEMENT") create valid and binding obligations under English law of the Borrower and (as regards the Amended Loan Agreement and the Amended Debenture) of the Parent and Millennium.

(D) The following security rights have, among others, been created by the Amended Debenture:

(i) a legal mortgage over each of the real properties described in Schedule 1 to the Amended Debenture;

(ii) an equitable fixed charge over the other real property of the Borrower, the Parent and Millennium;

(iii) an equitable fixed charge over the Millennium Shares and the shares in the Borrower held by the Parent (together with the Millennium Shares, the "SHARES");

(iv) an equitable fixed charge over the Borrower's rights to payment under or in connection with the Transmission Agreements;

(v) an equitable fixed charge over the sums standing from time to time to the credit of the Account (as defined in the Amended Deposit Charge Agreement); and

(vi) a floating charge over the undertaking, property and assets of the Borrower, the Parent and Millennium.

(E) It is not necessary, in order to ensure the validity of the Documents or the security referred to therein to obtain any authorisation, consent, approval, licence or permission of, or to effect any filing, declaration or registration with, any governmental authority of England, save as provided in paragraphs 8(A) and (B) below.

RESERVATIONS

8. Our reservations are as follows:

(A) A company registered under the Companies Act 1985 (the "ACT") must, in order to ensure that certain classes of security over its assets are not rendered void against the liquidator or any creditor of the company, deliver the instrument creating or evidencing the security, together with the prescribed particulars thereof, to the Registrar of Companies for registration within 21 days after the creation of such security. Each of the Borrower and the Parent and Millennium is registered under the Act. The classes of security which must be registered include a charge on land, a charge on book debts and a floating charge on the company's undertaking or property. In respect of a charge on shares, although the better view is that a fixed charge over shares is not included in the classes of security which must be registered, it is recommended that registration of such a charge should be effected because it could constitute a charge on book debts (namely the dividends arising under the shares). There is no procedure under the Act for registering variations to prescribed particulars delivered to the Registrar of Companies under the Act. However, we would recommend that details of the Supplemental and Amendment Deed and the Deposit Charge Amendment Agreement (together with an original executed copy of the Supplemental and Amendment Deed and of the Deposit Charge Amendment Agreement) be submitted to the Registrar of Companies for registration.

(B) Prior to the registration at H.M. Land Registry of a charge by way of legal mortgage created over property registered at H.M. Land Registry, that charge takes effect in equity only. In order that the mortgagee obtains the rights and powers of a legal mortgage, the charge would need to be delivered for registration at H.M. Land Registry, together with a duly completed application form and fee and the relevant land or charge certificate, and the mortgagee would need to be registered as proprietor of such charge. The registration at H.M. Land Registry of the charge by way of legal mortgage created over the property set out in Part 1 of Schedule 1 to the Amended Debenture has already been effected. However, because the Supplemental and Amendment Deed varies the Debenture we would recommend that an original executed copy of the Supplemental and Amendment Deed be submitted to H.M. Land Registry for registration. The execution of the Supplemental and Amendment Deed will, in any event, require registration at H.M. Land Registry to be made in respect of the charge by way of legal mortgage created over the property set out in Part 2 of Schedule 1 to the Amended Debenture. The Agent will not have, and may not exercise, any of the powers conferred by English law on the owner of a legal mortgage of the Land described in Part 2 of Schedule 1 to the Amended Debenture until the Agent is registered as the proprietor of the Amended Debenture in respect of that Land at H.M. Land Registry. This will trigger a statutory requirement that an application for first registration be made at H.M. Land Registry in respect of those properties set out in Part 2 of Schedule 1 to the Amended Debenture which are of unregistered land.

(C) The security interest in the Shares constituted by the Amended Debenture is not proposed to be perfected by the registration of the Shares in the name of the Agent or its nominee. That security interest therefore constitutes only an equitable charge and, as such, is not as favourable to the Agent or the Lenders as a perfected legal charge and suffers from the disadvantages inherent in equitable (as opposed to legal) charges. In particular, but without prejudice to the foregoing, such an equitable charge may be defeated if the Shares are disposed of to a person who acquires the legal title to the Shares in good faith for value without notice (actual or constructive) of the equitable charge. The risk of the above occurring is somewhat reduced so long as the share certificates relating to the Shares are held by the Agent or a nominee of the Agent and replacement certificates therefor are not issued.

We recommend, nonetheless, that the Shares are not registered in the name of the Agent or its nominee. If they were there is a risk that the Agent and the Lenders could be construed as being "connected" with the Parent for the purposes of Section 249 of the Insolvency Act 1986. This would have a number of disadvantageous consequences under that Act.

(D) Floating charges are subject to a number of disadvantages which do not apply to fixed charges. In particular:

(i) a floating charge created by a company within twelve months of the commencement of its winding up is, unless it is proved that the company is solvent immediately after the creation of the charge, invalid except to the amount of any cash paid to the company at the time of or subsequent to the creation of, and in consideration for, the floating charge together with interest thereon at a prescribed rate;

(ii) a floating charge is, on enforcement, subject to the rights of, and accordingly ranks after, unsecured but statutorily preferred creditors such as the Inland Revenue; and

(iii) a fixed charge created after the creation of, and over the same assets as, a floating charge may rank ahead of the floating charge unless the floating charge contains a prohibition on the creation of other charges ranking prior thereto or pari passu therewith and the holder of the fixed charge has actual notice of such prohibition at the time of taking his charge.

(E) We express no opinion as to whether any of the charges created by the Amended Debenture and the Amended Deposit Charge Agreement will amount to fixed rather than floating charges. Despite being expressed in words which would suffice to create a fixed charge, an English court would treat security as a floating charge where effective control of the charged assets has not been transferred to the person holding the benefit of the security, for example where it appears that it was intended that the person granting the charge over the charged assets should have the licence to dispose of those charged assets in the ordinary course of its business.

(F) We express no opinion as to the priority of the security interests under or referred to in the Amended Debenture or the Amended Deposit Charge Agreement, whether as regards other security that may already exist at the time of the creation of the relevant security interest under the Amended Debenture or the Amended Deposit Charge Agreement or as regards security that may be created thereafter. So far as the latter is concerned, English law is unclear as to priority where a subsequent charge is created and further advances are subsequently made in reliance of the prior charge.

(G) We express no opinion as to the title of the Borrower, the Parent or Millennium to the assets to be subject to the security created by the Amended Debenture and the Amended Deposit Charge Agreement. We would, however, refer you to:

(i) the Report prepared by us dated 23rd January, 1997 in respect of the Certificate of Title issued by Linklaters & Paines, solicitors for the British Broadcasting Corporation, dated 27th September, 1996 (as amended by the Supplemental Certificate dated 22nd January, 1997); and

(ii) the Report prepared by us dated [ ] June, 1999 in respect of the Certificate of Title issued by Norton Rose, solicitors for the Borrower, dated [ ] June, 1999.

(H) We express no opinion as to the efficacy of the Amended Debenture in so far as it relates to assets which are situated or deemed to be situated outside England and Wales or are subject to any law other than English law. Furthermore, we have not made any investigation of the assets which are subject to the floating charges created by the Amended Debenture and accordingly our opinions set out above must be read subject to any limitations or qualifications which may be necessary as a result of the nature of, or any matter relating to, such assets.

(I) Rights and obligations under the Amended Loan Agreement, the Amended Debenture and the Amended Deposit Charge Agreement will be subject to any law from time to time in force relating to insolvency, liquidation or administration or any other law or legal procedure affecting generally the enforcement of creditors' rights.

(J) In so far as any obligation under the Amended Loan Agreement, the Amended Debenture or the Amended Deposit Charge Agreement is to be performed in any jurisdiction other than England, an English court may have to have regard to the law of that jurisdiction in relation to the manner of performance and the steps to be taken in the event of non-performance or defective performance.

(K) We express no opinion as to whether the equitable remedies of specific performance or injunctive relief would be available in respect of any obligation of the Borrower or the Parent. These remedies are subject to the discretion of the English courts.

(L) We express no opinion as to the validity or the binding effect of the obligations as set out in Clause 13.1 of the Amended Loan Agreement which provide for the payment of interest on overdue amounts. An English court would not give effect to such provisions if it could be established that the amount expressed as being payable was such that such a clause was in the nature of a penalty (that is to say a requirement for a stipulated sum to be paid irrespective of, or necessarily greater than, the loss likely to be sustained).

(M) Clause 15.6 of the Amended Loan Agreement provides that the obligations of the Guarantors will not be affected by any change, waiver or release of the Borrower's obligations under the Amended Loan Agreement. We express no opinion whether this will be effective where the Guarantors have not agreed to that change, waiver or release.

(N) Clause 15.8 of the Amended Loan Agreement restricts the taking of security and the exercise by the Guarantors of certain rights in connection with the obligations of the Guarantors under Clause 15 of the Amended Loan Agreement. This is reinforced by the provision that the Guarantors will hold on trust for the agent and the lenders all amounts received in respect of a proof for amounts due to it by the Borrower or any other Guarantor. We express no opinion as to the effectiveness of the trust itself.

(O) We express no opinion on Clause 26.1 of the Amended Loan Agreement. Any term of the Amended Loan Agreement may in certain circumstances be waived or amended other than in writing.

(P) We express no opinion as to the validity or binding effect of provisions set out in Clause 27 of the Amended Debenture and Clause 15 of the Amended Deposit Charge Agreement relating to invalidity and severability.

(Q) There could be circumstances in which an English court would not treat as conclusive those certificates and determinations which the Amended Loan Agreement and the Amended Deposit Charge Agreement provide are to be

conclusive, for example if it could be shown that a certificate or determination had an unreasonable or arbitrary basis or was not made in good faith.

(R) We express no opinion on European Union law as it affects any jurisdiction other than England.

RELIANCE

9. This opinion is addressed to you for your own benefit and as agent for and on behalf of the Lenders in connection with the Amended Loan Agreement, the Amended Debenture and the Amended Deposit Charge Agreement. It may not be relied upon by any person other than yourselves or the Lenders or used for any other purpose and, without our prior written consent, neither its contents nor its existence may be disclosed to any other person.

Yours faithfully,

CONFORMED COPY

SCHEDULE 9:
FORM OF OVERDRAFT BANK AGREEMENT

OVERDRAFT BANK AGREEMENT

DATE :

PARTIES

1. [ ] of [ ]
(the "OVERDRAFT BANK")

2. [ ] a company incorporated in England (number [ ]) whose registered office is at [Warwick Technology Park, Gallows Hill, Heathcote Lane, Warwick CV34 6TN], on its own behalf and on behalf of each of the existing Guarantors (each as defined in the Loan Agreement referred to below) (the "OVERDRAFT BORROWER")/1/

3. CREDIT SUISSE FIRST BOSTON (the "AGENT"), on its own behalf and on behalf of each of the Lenders (as defined in the Loan Agreement)

BACKGROUND

A Loan Agreement (the "LOAN AGREEMENT") was made on 28th February, 1997 (and amended on 21st May, 1997 and on [ ]) between (1) Castle Transmission International Ltd. as borrower, (2) Castle Transmission Services (Holdings) Ltd. as guarantor, (3) the lenders named in the Loan Agreement, (4) Credit Suisse First Boston as Agent and others. Under the terms of the Loan Agreement the Lenders agreed to provide to Castle Transmission International Ltd. a (Pounds)150,000,000 credit facility.

The Overdraft Bank has provided overdraft facilities (the "OVERDRAFT FACILITIES") to the Overdraft Borrower and wishes the Overdraft Borrower's obligations under those Overdraft Facilities to be secured by the Charges.

The parties agree as follows:

1. INTERPRETATION

Unless a contrary intention is indicated, words and expressions defined in the Loan Agreement and which are not defined in this Agreement will have the same meanings when used in this Agreement. References to the Loan Agreement are to that agreement as amended or supplemented.

2. UNDERTAKINGS OF THE OVERDRAFT BANK

The Overdraft Bank agrees that:

(A) The Overdraft Bank has delivered to the Agent a copy of the document (if any exists) describing the terms of the Overdraft Facilities.

(B) The Overdraft Bank will notify the Agent of the termination or breach of the Overdraft Facilities (or any event which, upon the giving of notice, lapse of time or both would give cause for a termination of the Overdraft Facilities).

- ---
/1/ Insert details of relevant entity which must be the Borrower or any Restricted Subsidiary.

3. SECURITY

By virtue of the execution of this Agreement the amounts due by the Overdraft Borrower under the Overdraft Facilities become secured under the Charges. Only a maximum of (Pounds)[ ]/2/ of the amount outstanding under the Overdraft Facilities will, however, rank equally with amounts outstanding under the Loan Agreement. The remainder, if any, will rank behind.

4. THE AGENT

4.1 APPOINTMENT

The Agent is appointed as an agent by the Overdraft Bank. The Agent is not acting as agent of any Company under this Agreement.

4.2 AUTHORITY

The Agent is authorised to exercise the rights, powers, discretions and duties which are specified by the Financing Documents. The Agent may also act in a manner reasonably incidental to these matters.

4.3 DUTIES

In addition to the obligations of the Agent set out elsewhere in the Financing Documents the Agent agrees as follows:

(A) NOTICES: The Agent will as soon as reasonably practicable notify the Overdraft Bank of the contents of each notice received from a Company under the terms of a Financing Document. If the notice does not affect the Overdraft Bank the Agent may elect not to notify the Overdraft Bank.

(B) OTHER DOCUMENTS: When a Company delivers to the Agent any other document required to be delivered under a Financing Document the Agent will as soon as reasonably practicable provide a copy to the Overdraft Bank. The Overdraft Borrower agrees to reimburse the Agent for the costs of preparing any copies required for this purpose.

(C) TERMINATION EVENTS: The Agent will notify the Overdraft Bank of any Termination Event or Potential Termination Event. This obligation will not arise, however, until the Agent receives express notice with reasonable supporting evidence of the Termination Event or Potential Termination Event. Until this time the Agent is entitled to assume that there is no Termination Event or Potential Termination Event. The Agent is not required to make inquiries. Information referred to in Clause 4.11 does not have to be disclosed under this sub-clause.

The duties under this sub-clause will be discharged if the Agent performs the corresponding duties to the Overdraft Bank or its affiliate in is capacity as a Lender.

4.4 POWERS

In addition to the powers of the Agent set out elsewhere in the Financing Documents the Agent has the following powers:

(A) PROFESSIONAL ADVISERS: The Agent may instruct professional advisers to provide advice in connection with this Agreement and the Overdraft Facilities.

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/2/ The aggregate maximum amount included in this space for all Overdraft Banks must not exceed (Pounds)5,000,000. See Clause 19.1(K)(i).

(B) AUTHORITY FROM INSTRUCTING GROUP: The Agent may take any action which is not inconsistent with the Financing Documents and which is authorised by an Instructing Group.

(C) VIEWS OF INSTRUCTING GROUP: In exercising any of its rights, powers or discretions the Agent may seek the views of an Instructing Group. If it exercises those rights, powers or discretions in accordance with those views the Agent will incur no liability.

(D) PROCEEDINGS: The Agent may institute legal proceedings against a Company in the name of the Overdraft Bank if the Overdraft Bank authorises it to take those proceedings.

(E) COMPLIANCE WITH LAW: The Agent may take any action necessary for it to comply with applicable laws.

The Agent is not required to exercise any of these powers and will incur no liability if it fails to do so. In the context of legal proceedings the Agent may decline to take any step until it has received indemnities or security satisfactory to it.

4.5 RELIANCE

The Agent is entitled to rely upon each of the following:

(A) Advice received from professional advisers.

(B) A certificate of fact received from a Company and signed by an Authorised Person.

(C) Any communication or document believed by the Agent to be genuine. The Agent will not be liable for any of the consequences of relying on these items.

4.6 EXTENT OF AGENT'S DUTIES

(A) NO OTHER DUTIES: The Agent has no obligations or duties other than those expressly set out in this Agreement, the Financing Documents and the other Overdraft Bank Agreements.

(B) ILLEGALITY AND LIABILITY: The Agent is not obliged to do anything which is illegal or which may expose it to liability to any person.

(C) NOT TRUSTEE: The Agent is not acting as a trustee for any purpose in connection with this Agreement, except for its role described in Clause 4.13, 4.14 and 4.15.

4.7 RESPONSIBILITY OF THE OVERDRAFT BANK

The Overdraft Bank is responsible for its own decision to become involved in the Overdraft Facilities and its decision to take or not take action under the Overdraft Facilities. It should make its own credit appraisal of the Overdraft Borrower and the terms of the Overdraft Facilities. The Agent makes no representation that any information provided to the Overdraft Bank before or after the date of this Agreement is true. Accordingly the Overdraft Bank should take whatever action it believes is necessary to verify that information. In addition the Agent is not responsible for the legality, validity or adequacy of any Financing Document or the efficacy of the Security under the Charges. The Overdraft Bank will satisfy itself on these issues.

4.8 LIMITATION OF LIABILITY

(A) AGENT: The Agent will not be liable to the Overdraft Bank for any action or non-action under or in connection with the Financing Documents unless caused by its gross negligence or wilful misconduct.

(B) DIRECTORS, EMPLOYEES AND AGENTS: No director, employee or agent of the Agent will be liable to the Overdraft Bank in relation to the Financing Documents. The Overdraft Bank agrees not to seek to impose this liability upon them.

4.9 BUSINESS OF THE AGENT

Despite its role as agent of the Overdraft Bank the Agent may:

(A) participate as a Lender in the Facilities or as a Hedging Bank or an Overdraft Bank,

(B) carry on all types of business with any Company, and

(C) act as agent for other groups of lenders to any Company or other borrowers.

4.10 INDEMNITY

The Overdraft Bank agrees to reimburse the Agent for all losses and expenses incurred by the Agent as a result of its appointment as Agent or arising from its activities as Agent in relation to this Agreement. These losses and expenses will take into account amounts reimbursed to the Agent by the Overdraft Borrower. The Overdraft Bank is not liable for losses and expenses arising from the gross negligence or willful misconduct of the Agent.

4.11 CONFIDENTIAL INFORMATION

The Agent is not required to disclose to the Overdraft Bank any information:

(A) which is not received by it in its capacity as Agent, or
(B) which it receives, with its consent, on a confidential basis.

4.12 RESIGNATION AND REMOVAL

The Agent may resign or be removed in accordance with the terms of the Loan Agreement. In this case the Overdraft Bank agrees to co-operate, to the extent reasonably necessary, with the transfer of function to a new Agent.

4.13 OBLIGATION TO PAY TO THE AGENT

The Overdraft Borrower agrees to pay to the Agent on demand each amount due and payable by the Overdraft Borrower to the Overdraft Bank under the Overdraft Facilities. This obligation will be satisfied to the extent that the amount is paid to the Overdraft Bank. It does not affect the rights of the Overdraft Bank or the obligations of the Overdraft Borrower to the Overdraft Bank. A payment of an amount under this sub-clause will, however, satisfy the Overdraft Borrower's obligation to pay that amount to the Overdraft Bank.

4.14 HOLDING AS SECURITY TRUSTEE

The Agent agrees that it holds the benefit of:

(A) Clause 4.13; and

(B) the Charges and all Security arising from the Charges,

as trustee on behalf of:

(i) the Lenders;

(ii) each Hedging Bank which executed a Hedging Bank Agreement in accordance with Clause 20.1(CC); and

(iii) each Overdraft Bank.

All the Agent's rights and claims arising under the items mentioned in paragraphs (A) and (B) are vested in it on this basis.

4.15 SECURITY

(A) PERFECTION OF SECURITY AND TITLE: The Agent:

(i) is not liable for any failure, omission or defect in perfecting the Security constituted by any Charge;

(ii) may accept without enquiry the title to the property over which Security is intended to be created by any Charge.

(B) CUSTODY: The Agent is not under any obligation to hold any title deeds, security documents or any other documents in connection with the property charged by any Charge or to take any steps to protect or preserve these documents. The Agent may permit a Company to retain all these documents in its possession or may deposit them with a nominee or custodian. This paragraph does not apply to documents held in relation to a legal mortgage over, or over an interest in, real property or shares.

5. NOTICES

Any notice to be delivered to the Overdraft Bank may be delivered to it, or its affiliate, as a Lender in the manner described in the Loan Agreement.

6. LAW

This Agreement is to be governed by and construed in accordance with English law.

SIGNATURES

[Name of Overdraft Bank]

By:

[Name of Overdraft Borrower]

By:

[Name of Agent]

By:

CONFORMED COPY

SCHEDULE 10:
FORM OF HEDGING BANK AGREEMENT

HEDGING BANK AGREEMENT

DATE :

PARTIES

1. [ ] of [ ] (the "HEDGING BANK")

2. CASTLE TRANSMISSION INTERNATIONAL LTD., a company incorporated in England (number 3196207) whose registered office is at Warwick Technology Park, Heathcote Lane, Warwick CV34 5DS, on its own behalf and on behalf of each of the existing Guarantors (each as defined in the Loan Agreement referred to below)

3. CREDIT SUISSE FIRST BOSTON (the "AGENT"), on its own behalf and on behalf of each of the Lenders (as defined in the Loan Agreement)

BACKGROUND

A Loan Agreement (the "LOAN AGREEMENT") was made on 28th February, 1997 (and amended on 21st May, 1997 and on [ ]) between (1) Castle Transmission International Ltd. as borrower, (2) Castle Transmission Services (Holdings) Ltd. as guarantor, (3) the lenders named in the Loan Agreement, (4) Credit Suisse First Boston as Agent and others. Under the terms of the Loan Agreement the Lenders agreed to provide to the Borrower a (Pounds)150,000,000 credit facility.

The Hedging Bank has entered into a Hedging Contract with the Borrower and wishes the Borrower's obligations under that Hedging Contract to be secured by the Charges.

The parties agree as follows:

1. INTERPRETATION

Unless a contrary intention is indicated, words and expressions defined in the Loan Agreement and which are not defined in this Agreement will have the same meanings when used in this Agreement. References to the Loan Agreement are to that agreement as amended or supplemented.

2. UNDERTAKINGS OF THE HEDGING BANK

The Hedging Bank agrees that:

(A) The Hedging Contract complies with the requirements of Schedule 11 to the Loan Agreement.

(F) The Hedging Bank will notify the Agent of the termination or breach of the Hedging Contract (or any event which, upon the giving of notice, lapse of time or both would give cause for a termination of the Hedging Contract).

(G) The Hedging Bank has delivered to the Agent a copy of the Hedging Contract. It will deliver to the Agent copies of all confirmations under the Hedging Contract. Before entering into a transaction which is to be incorporated in the Hedging Contract the Hedging Bank will use reasonable endeavours to ensure that:

(i) the proposed transaction will not cause the Borrower to be in default under Clause 20.1(CC) of the Loan Agreement; and

(ii) the transaction forms part of the implementation of the Hedging Policy.

This obligation may be discharged by the Hedging Bank receiving a certificate from the Borrower to this effect.

(H) If an Event of Default (as described in the Hedging Contract) occurs and is continuing under the Hedging Contract, the Agent (acting on the instructions of an Instructing Group) shall be entitled, by notice in writing to the Hedging Bank and the Borrower, to require the Hedging Contract to be terminated and closed out in accordance with its terms as soon as possible after the notice is given. If there is a net amount payable to the Borrower under the Hedging Contract upon its termination and close out, the Hedging Bank shall pay that net amount to the Agent to discharge amounts due under the Financing Documents, any other Hedging Contracts and the Overdraft Facilities, or (where no such amounts are due) into an account held with the Agent or a nominee of the Agent and charged to the Agent.

(I) Any waiver of a Termination Event given by the Agent under the Loan Agreement will be treated as given by the Hedging Bank in the same terms in respect of the equivalent Event of Default under the Hedging Contract.

3. SECURITY

By virtue of the execution of this Agreement the amounts due by the Borrower under the Hedging Contract with the Hedging Bank become secured under the Charges.

4. THE AGENT

4.1 APPOINTMENT

The Agent is appointed as an agent by the Hedging Bank. The Agent is not acting as agent of any Company under this Agreement.

4.2 AUTHORITY

The Agent is authorised to exercise the rights, powers, discretions and duties which are specified by the Financing Documents. The Agent may also act in a manner reasonably incidental to these matters.

4.3 DUTIES

In addition to the obligations of the Agent set out elsewhere in the Financing Documents the Agent agrees as follows:

(A) NOTICES: The Agent will as soon as reasonably practicable notify the Hedging Bank of the contents of each notice received from a Company under the terms of a Financing Document. If the notice does not affect the Hedging Bank the Agent may elect not to notify the Hedging Bank.

(B) OTHER DOCUMENTS: When a Company delivers to the Agent any other document required to be delivered under a Financing Document the Agent will as soon as reasonably practicable provide a copy to the Hedging Bank. The Borrower agrees to reimburse the Agent for the costs of preparing any copies required for this purpose.

(C) TERMINATION EVENTS: The Agent will notify the Hedging Bank of any Termination Event or Potential Termination Event. This obligation will not arise, however, until the Agent receives express notice with reasonable supporting evidence of the Termination Event or Potential Termination Event. Until this time the Agent is entitled to assume that there is no Termination Event or Potential

Termination Event. The Agent is not required to make inquiries. Information referred to in Clause 4.11 does not have to be disclosed under this sub-clause.

The duties under this sub-clause will be discharged if the Agent performs the corresponding duties to the Hedging Bank or its affiliate in is capacity as a Lender.

4.4 POWERS

In addition to the powers of the Agent set out elsewhere in the Financing Documents the Agent has the following powers:

(A) PROFESSIONAL ADVISERS: The Agent may instruct professional advisers to provide advice in connection with this Agreement and the Hedging Contract.

(B) AUTHORITY FROM INSTRUCTING GROUP: The Agent may take any action which is not inconsistent with the Financing Documents and which is authorised by an Instructing Group.

(C) VIEWS OF INSTRUCTING GROUP: In exercising any of its rights, powers or discretions the Agent may seek the views of an Instructing Group. If it exercises those rights, powers or discretions in accordance with those views the Agent will incur no liability.

(D) PROCEEDINGS: The Agent may institute legal proceedings against a Company in the name of the Hedging Bank if the Hedging Bank authorises it to take those proceedings.

(E) COMPLIANCE WITH LAW: The Agent may take any action necessary for it to comply with applicable laws.

The Agent is not required to exercise any of these powers and will incur no liability if it fails to do so. In the context of legal proceedings the Agent may decline to take any step until it has received indemnities or security satisfactory to it.

4.5 RELIANCE

The Agent is entitled to rely upon each of the following:

(A) Advice received from professional advisers.

(B) A certificate of fact received from a Company and signed by an Authorised Person.

(C) Any communication or document believed by the Agent to be genuine. The Agent will not be liable for any of the consequences of relying on these items.

4.6 EXTENT OF AGENT'S DUTIES

(A) NO OTHER DUTIES: The Agent has no obligations or duties other than those expressly set out in this Agreement, the Financing Documents, any other Hedging Bank Agreements and the Overdraft Bank Agreements.

(B) ILLEGALITY AND LIABILITY: The Agent is not obliged to do anything which is illegal or which may expose it to liability to any person.

(C) NOT TRUSTEE: The Agent is not acting as a trustee for any purpose in connection with this Agreement, except for its role described in Clause 4.13, 4.14 and 4.15.

4.7 RESPONSIBILITY OF THE HEDGING BANK

The Hedging Bank is responsible for its own decision to become involved in the Hedging Contract and its decision to take or not take action under the Hedging Contract. It should make its own credit appraisal of the Borrower and the terms of the Hedging Contract. The Agent makes no representation that any information provided to the Hedging Bank before or after the date of this Agreement is true. Accordingly the Hedging Bank should take whatever action it believes is necessary to verify that information. In addition the Agent is not responsible for the legality, validity or adequacy of any Financing Document or the efficacy of the Security under the Charges. The Hedging Bank will satisfy itself on these issues.

4.8 LIMITATION OF LIABILITY

(A) AGENT: The Agent will not be liable to the Hedging Bank for any action or non-action under or in connection with the Financing Documents unless caused by its gross negligence or wilful misconduct.

(B) DIRECTORS, EMPLOYEES AND AGENTS: No director, employee or agent of the Agent will be liable to the Hedging Bank in relation to the Financing Documents. The Hedging Bank agrees not to seek to impose this liability upon them.

4.9 BUSINESS OF THE AGENT

Despite its role as agent of the Hedging Bank the Agent may:

(A) participate as a Lender in the Facilities or as a Hedging Bank or an Overdraft Bank,

(B) carry on all types of business with any Company, and

(C) act as agent for other groups of lenders to any Company or other borrowers.

4.10 INDEMNITY

The Hedging Bank agrees to reimburse the Agent for all losses and expenses incurred by the Agent as a result of its appointment as Agent or arising from its activities as Agent in relation to this Agreement. These losses and expenses will take into account amounts reimbursed to the Agent by the Borrower. The Hedging Bank is not liable for losses and expenses arising from the gross negligence or willful misconduct of the Agent.

4.11 CONFIDENTIAL INFORMATION

The Agent is not required to disclose to the Hedging Bank any information:

(A) which is not received by it in its capacity as Agent, or

(B) which it receives, with its consent, on a confidential basis.

4.12 RESIGNATION AND REMOVAL

The Agent may resign or be removed in accordance with the terms of the Loan Agreement. In this case the Hedging Bank agrees to co-operate, to the extent reasonably necessary, with the transfer of function to a new Agent.

4.13 OBLIGATION TO PAY TO THE AGENT

The Borrower agrees to pay to the Agent on demand each amount due and payable by the Borrower to the Hedging Bank under the Hedging Contract. This obligation will be satisfied to the extent that the amount is paid to the Hedging Bank. It does not affect the

rights of the Hedging Bank or the obligation of the Borrower to the Hedging Bank. A payment of an amount under this sub-clause will, however, satisfy the Borrower's obligation to pay that amount to the Hedging Bank.

4.14 HOLDING AS SECURITY TRUSTEE

The Agent agrees that it holds the benefit of:

(A) Clause 4.13; and

(B) the Charges and all Security arising from the Charges, as trustee on behalf of:

(i) the Lenders;

(ii) each Hedging Bank which executes a Hedging Bank Agreement in accordance with Clause 20.1(CC)(ii) of the Loan Agreement; and

(iii) each Overdraft Bank.

All the Agent's rights and claims arising under the items mentioned in paragraphs (A) and (B) are vested in it on this basis.

4.15 SECURITY

(A) PERFECTION OF SECURITY AND TITLE: The Agent:

(i) is not liable for any failure, omission or defect in perfecting the Security constituted by any Charge;

(ii) may accept without enquiry the title to the property over which Security is intended to be created by any Charge.

(B) CUSTODY: The Agent is not under any obligation to hold any title deeds, security documents or any other documents in connection with the property charged by any Charge or to take any steps to protect or preserve these documents. The Agent may permit a Company to retain all these documents in its possession or may deposit them with a nominee or custodian. This paragraph does not apply to documents held in relation to a legal mortgage over, or over an interest in, real property or shares.

5. NOTICES

Any notice to be delivered to the Hedging Bank may be delivered to it, or its affiliate, as a Lender in the manner described in the Loan Agreement.

6. LAW

This Agreement is to be governed by and construed in accordance with English law.

SIGNATURES

[Name of Hedging Bank]

By:

Castle Transmission International Ltd.

By:

[Name of Agent]

By:

SCHEDULE 11:
REQUIREMENTS FOR HEDGING CONTRACTS

Each Hedging Contract is to be on the terms of the International Swaps & Derivatives Association, Inc. ("ISDA") 1992 Master Agreement (Multicurrency-Cross Border) (the "ISDA AGREEMENT"). Each Hedging Contact will provide for, together with such other terms as the relevant Hedging Bank and the Borrower may agree and which do not conflict with, the following:

(a) Sections 5(a)(i) to (viii) of the ISDA Agreement not to apply as Events of Default with respect to the Borrower. The Termination Events (as defined in the Loan Agreement) shall be the only Events of Default with respect to the Borrower for the purposes of the ISDA Agreement and, accordingly, the automatic termination provisions of Section 6(a) of the ISDA Agreement shall not be applicable.

(b) Any notice given pursuant to Section 5 or Section 6 of the ISDA Agreement to also be given contemporaneously to the Agent.

(c) If any Event of Default under the ISDA Agreement occurs (as referred to in paragraph (a) above) the relevant Hedging Bank to be entitled to designate a day as an Early Termination Date (by notice to the Borrower in accordance with Section 6(a) of the ISDA Agreement) only if all principal amounts outstanding under the Facilities are due and payable or if the Agent has cancelled the Facilities or demanded immediate repayment of the Loan under Clause 20.2 of this Agreement or required the Hedging Contract to be terminated under Clause 2(D) of the Hedging Bank Agreement with that Hedging Bank. This notice must also be given to the Agent.

(d) No contractual rights of set-off to either party additional to such rights contained in the unamended form of the ISDA Agreement.

(e) Section 2(c)(ii) of the ISDA Agreement not to apply to any Transactions and thus payments under all Transactions under the same Hedging Contract to be made in the same currency on the same day shall be netted.

(f) An acknowledgement of the existence of this Agreement and the Charges.

(g) An election for "Second Method and Market Quotation" in the "Schedule" as the payment method applicable.

(h) The governing law to be English law.

Terms used in this schedule have the meanings given to them in the ISDA Agreement or, where the context does not so permit, the meanings given to them in this Agreement.

EXHIBIT 10.36

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$1,200,000,000

CREDIT AGREEMENT

among

CROWN CASTLE OPERATING COMPANY,
as Borrower,

CROWN CASTLE INTERNATIONAL CORP.,

The Several Lenders
from Time to Time Parties Hereto,

THE CHASE MANHATTAN BANK,
as Administrative Agent,

CREDIT SUISSE FIRST BOSTON CORPORATION
and
KEY CORPORATE CAPITAL INC.,
as Syndication Agents,

and

THE BANK OF NOVA SCOTIA,
as Documentation Agent

Dated as of March 15, 2000

==========

CHASE SECURITIES INC.
and
CREDIT SUISSE FIRST BOSTON CORPORATION,
as Joint Lead Arrangers and Joint Book Managers.

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CREDIT AGREEMENT, dated as of March 15, 2000, among CROWN CASTLE INTERNATIONAL CORP., a Delaware corporation ("Holdings"), CROWN CASTLE OPERATING COMPANY, a Delaware corporation (the "Borrower"), the several banks and other financial institutions or entities from time to time parties to this Agreement (the "Lenders"), THE BANK OF NOVA SCOTIA, as documentation agent (in such capacity, the "Documentation Agent"), CREDIT SUISSE FIRST BOSTON and KEY CORPORATE CAPITAL INC., as syndication agents (in such capacity, the "Syndication Agents"), and THE CHASE MANHATTAN BANK, as administrative agent (in such capacity, the "Administrative Agent").

The parties hereto hereby agree as follows:

SECTION 1. DEFINITIONS

1.1 Defined Terms. As used in this Agreement, the terms listed in this Section 1.1 shall have the respective meanings set forth in this Section 1.1.

"ABR": for any day, a rate per annum (rounded upwards, if necessary, to the next 1/16 of 1%) equal to the greatest of (a) the Prime Rate in effect on such day, (b) the Base CD Rate in effect on such day plus 1% and (c) the Federal Funds Effective Rate in effect on such day plus 1/2 of 1%. For purposes hereof: "Prime Rate" shall mean the rate of interest per annum publicly announced from time to time by Chase as its prime rate in effect at its principal office in New York City (the Prime Rate not being intended to be the lowest rate of interest charged by Chase in connection with extensions of credit to debtors); "Base CD Rate" shall mean the sum of (a) the product of (i) the Three-Month Secondary CD Rate and (ii) a fraction, the numerator of which is one and the denominator of which is one minus the C/D Reserve Percentage and (b) the C/D Assessment Rate; and "Three-Month Secondary CD Rate" shall mean, for any day, the secondary market rate for three-month certificates of deposit reported as being in effect on such day (or, if such day shall not be a Business Day, the next preceding Business Day) by the Board through the public information telephone line of the Federal Reserve Bank of New York (which rate will, under the current practices of the Board, be published in Federal Reserve Statistical Release H.15(519) during the week following such day), or, if such rate shall not be so reported on such day or such next preceding Business Day, the average of the secondary market quotations for three-month certificates of deposit of major money center banks in New York City received at approximately 10:00 A.M., New York City time, on such day (or, if such day shall not be a Business Day, on the next preceding Business Day) by Chase from three New York City negotiable certificate of deposit dealers of recognized standing selected by it. Any change in the ABR due to a change in the Prime Rate, the Three-Month Secondary CD Rate or the Federal Funds Effective Rate shall be effective as of the opening of business on the effective day of such change in the Prime Rate, the Three-Month Secondary CD Rate or the Federal Funds Effective Rate, respectively.

"ABR Loans": Loans the rate of interest applicable to which is based upon the ABR.

"Adjustment Date": as defined in the Pricing Grid.

"Administrative Agent": as defined in the preamble hereto.

"Affiliate": as to any Person, any other Person that, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. For purposes of this definition, "control" of a Person means the power, directly or indirectly, either to (a) vote 10% or more of the securities having ordinary voting power for the election of directors (or persons performing similar functions) of

such Person or (b) direct or cause the direction of the management and policies of such Person, whether by contract or otherwise.

"Agents": the collective reference to the Syndication Agents, the Documentation Agent and the Administrative Agent.

"Aggregate Exposure": with respect to any Lender at any time, an amount equal to the sum of (a) the aggregate then unpaid principal amount of such Lender's Term Loans, (b) the amount of such Lender's Tranche A Term Commitment then in effect and (c) the amount of such Lender's Revolving Commitment then in effect or, if the Revolving Commitments have been terminated, the amount of such Lender's Revolving Extensions of Credit then outstanding.

"Aggregate Exposure Percentage": with respect to any Lender at any time, the ratio (expressed as a percentage) of such Lender's Aggregate Exposure at such time to the Aggregate Exposure of all Lenders at such time.

"Agreement": this Credit Agreement, as amended, supplemented or otherwise modified from time to time.

"Applicable Margin": (a) with respect to Tranche A Term Loans, Tranche B Term Loans, Revolving Loans and Swingline Loans, the per annum rates determined in accordance with the Pricing Grid and (b) with respect to Incremental Term Loans, such per annum rates as shall be agreed to by the Borrower and the applicable Incremental Term Lenders as shown in the applicable Increased Facility Activation Notice.

"Application": an application, in such form as the relevant Issuing Lender may specify from time to time, requesting such Issuing Lender to open a Letter of Credit.

"Approved Fund": with respect to any Lender that is a fund that invests in commercial loans, any other fund that invests in commercial loans and is managed or advised by the same investment advisor as such Lender or by an Affiliate of such investment advisor.

"Asset Sale": any Disposition of property or series of related Dispositions of property (excluding any such Disposition permitted by clause (a), (b), (c), (d), (f) or (g) of Section 7.5) that yields gross proceeds to the Borrower or any of its Subsidiaries (valued at the initial principal amount thereof in the case of non-cash proceeds consisting of notes or other debt securities and valued at fair market value in the case of other non-cash proceeds) in excess of $1,000,000.

"Assignee": as defined in Section 10.6(c).

"Assignment and Acceptance": an Assignment and Acceptance, substantially in the form of Exhibit E.

"Assignor": as defined in Section 10.6(c).

"Aus$": the lawful currency of Australia.

"Australian Intercompany Loans": loans from the Borrower to the Australian Subsidiary in an aggregate principal amount not to exceed the Dollar equivalent of Aus$220,000,000 at any one time outstanding.

"Australian Subsidiary": CCAL Towers PTY Limited ACN 090 873 019.

"Available Revolving Commitment": as to any Revolving Lender at any time, the amount by which (a) such Lender's Revolving Commitment then in effect exceeds (b) such Lender's Revolving Extensions of Credit then outstanding; provided, that in calculating any Lender's Revolving Extensions of Credit for the purpose of determining such Lender's Available Revolving Commitment pursuant to Section 2.6(a), the aggregate principal amount of Swingline Loans then outstanding shall be deemed to be zero.

"Benefitted Lender": as defined in Section 10.7(a).

"Board": the Board of Governors of the Federal Reserve System of the United States (or any successor).

"Borrower": as defined in the preamble hereto.

"Borrowing Date": any Business Day specified by the Borrower as a date on which the Borrower requests the relevant Lenders to make Loans hereunder.

"Business": as defined in Section 4.17(b).

"Business Day": a day other than a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to close, provided, that with respect to notices and determinations in connection with, and payments of principal and interest on, Eurodollar Loans, such day is also a day for trading by and between banks in Dollar deposits in the interbank eurodollar market.

"Capital Expenditures": for any period, with respect to any Person, the aggregate of all expenditures by such Person and its Subsidiaries for the acquisition or leasing (pursuant to a capital lease) of fixed or capital assets or additions to equipment (including replacements, capitalized repairs and improvements during such period) that should be capitalized under GAAP on a consolidated balance sheet of such Person and its Subsidiaries.

"Capital Lease Obligations": as to any Person, the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP and, for the purposes of this Agreement, the amount of such obligations at any time shall be the capitalized amount thereof at such time determined in accordance with GAAP.

"Capital Stock": any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent ownership interests in a Person (other than a corporation) and any and all warrants, rights or options to purchase any of the foregoing.

"Cash Equivalents": (a) marketable direct obligations issued by, or unconditionally guaranteed by, the United States Government or issued by any agency thereof and backed by the full faith and credit of the United States, in each case maturing within one year from the date of acquisition; (b) certificates of deposit, time deposits, eurodollar time deposits or overnight bank deposits having maturities of six months or less from the date of acquisition issued by any Lender or by any commercial bank organized under the laws of the United States or any state thereof having combined capital and surplus of not less than $500,000,000; (c) commercial paper of an issuer rated at least A-1 by Standard & Poor's Ratings Services ("S&P") or P-1 by Moody's Investors Service, Inc. ("Moody's"), or carrying an equivalent rating by a nationally recognized rating agency, if both of the two named rating agencies cease publishing ratings of commercial paper issuers generally, and maturing within six months from the date of acquisition; (d) repurchase obligations of any Lender or of any commercial bank satisfying the requirements of clause (b) of this definition, having a term of not more than 30 days, with respect to securities issued or fully guaranteed or insured by the United States government; (e) securities with maturities of one year or less from the date of acquisition issued or fully guaranteed by any state, commonwealth or territory of the United States, or by any political subdivision or taxing authority of any such state, commonwealth or territory, the securities of which state, commonwealth, territory, political subdivision or taxing authority (as the case may be) are rated at least A by S&P or A2 by Moody's; (f) securities with maturities of six months or less from the date of acquisition backed by standby letters of credit issued by any Lender or any commercial bank satisfying the requirements of clause (b) of this definition; (g) shares of money market mutual or similar funds which invest substantially exclusively in assets satisfying the requirements of clauses (a) through (f) of this definition or (h) in the case of any Foreign Subsidiary (i) marketable direct obligations issued by, or unconditionally guaranteed by, the sovereign nation in which such Foreign Subsidiary is organized and is conducting business or issued by any agency of such sovereign nation and backed by the full faith and credit of such sovereign nation, in each case maturing within one year from the date of acquisition, so long as the indebtedness of such sovereign nation is rated at least A by S&P or A2 by Moody's or carries an equivalent rating from a comparable foreign rating agency or (ii) investments of the type and maturity described in clauses (b) through (g) above of foreign obligors, which investments or obligors have ratings described in such clauses or equivalent ratings from comparable foreign rating agencies.

"C/D Assessment Rate": for any day as applied to any ABR Loan, the annual assessment rate in effect on such day that is payable by a member of the Bank Insurance Fund maintained by the Federal Deposit Insurance Corporation (the "FDIC") classified as well-capitalized and within supervisory subgroup "B" (or a comparable successor assessment risk classification) within the meaning of 12 C.F.R. (S) 327.4 (or any successor provision) to the FDIC (or any successor) for the FDIC's (or such successor's) insuring time deposits at offices of such institution in the United States.

"C/D Reserve Percentage": for any day as applied to any ABR Loan, that percentage (expressed as a decimal) which is in effect on such day, as prescribed by the Board, for determining the maximum reserve requirement for a Depositary Institution (as defined in Regulation D of the Board as in effect from time to time) in respect of new non-personal time deposits in Dollars having a maturity of 30 days or more.

"Change of Control": (a) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")), excluding the Existing Investors, shall become, or obtain rights (whether by means or warrants, options or otherwise) to become, the "beneficial owner" (as defined in Rules 13(d)-3 and 13(d)-5 under the

Exchange Act), directly or indirectly, of more than 30% of the outstanding common stock of Holdings; (b) the Existing Investors, together with their Affiliates, shall become, or obtain rights (whether by means or warrants, options or otherwise) to become, the "beneficial owner" (as defined in Rules 13(d)-3 and 13(d)-5 under the Exchange Act), directly or indirectly, of more than 45% of the outstanding common stock of Holdings; (c) the board of directors of Holdings shall cease to consist of a majority of Continuing Directors; (d) Holdings shall cease to own and control, of record and beneficially, directly, 100% of each class of outstanding Capital Stock of the Borrower free and clear of all Liens (except Liens created by the Guarantee and Collateral Agreement); or (e) a Specified Change of Control shall occur.

"Chase": The Chase Manhattan Bank.

"Closing Date": the date on which the conditions precedent set forth in Section 5.1 shall have been satisfied, which date is March 15, 2000.

"Code": the Internal Revenue Code of 1986, as amended from time to time.

"Collateral": all property of the Loan Parties, now owned or hereafter acquired, upon which a Lien is purported to be created by any Security Document.

"Commitment": as to any Lender, the sum of the Tranche A Term Commitment, the Tranche B Term Commitment and the Revolving Commitment of such Lender.

"Commonly Controlled Entity": an entity, whether or not incorporated, that is under common control with the Borrower within the meaning of Section 4001 of ERISA or is part of a group that includes the Borrower and that is treated as a single employer under Section 414 of the Code.

"Commitment Fee Rate": a per annum rate based on combined Tranche A Term Facility drawings and Revolving Facility usage as a percentage of the sum of (a) the original aggregate amount of the Tranche A Term Commitments (after giving effect to any optional reductions thereof pursuant to Section 2.7(b)) plus (b) the Total Revolving Commitments as set forth below:

Combined % of Tranche A Term Facility Drawn and Revolving Facility Utilized	Rate
* 33 1/3%	1.00%
** 33 1/3% but * 66 2/3%	0.75%
** 66 2/3%	0.50%

- ----------
* Less than
** Greater than or equal to.

"Compliance Certificate": a certificate duly executed by a Responsible Officer substantially in the form of Exhibit B.

"Conduit Lender": any special purpose corporation organized and administered by any Lender for the purpose of making Loans hereunder otherwise required to be made by such Lender and designated by such Lender in a written instrument, subject to the consent of the Administrative Agent and the Borrower (which, in each case, shall not be unreasonably withheld or delayed); provided, that the designation by any Lender of a Conduit Lender shall not relieve the designating Lender of any of its obligations to fund a Loan under this Agreement if, for any reason, its Conduit Lender fails to fund any

such Loan, and the designating Lender (and not the Conduit Lender) shall have the sole right and responsibility to deliver all consents and waivers required or requested under this Agreement with respect to its Conduit Lender, and provided, further, that no Conduit Lender shall (a) be entitled to receive any greater amount pursuant to Section 2.16, 2.17, 2.18 or 10.5 than the designating Lender would have been entitled to receive in respect of the extensions of credit made by such Conduit Lender or (b) be deemed to have any Commitment hereunder.

"Confidential Information Memorandum": the Confidential Information Memorandum dated February 2000 and furnished to certain Lenders.

"Consolidated Cash Interest Expense": for any period, the total cash interest expense (including that attributable to Capital Lease Obligations) of the Borrower and its Subsidiaries for such period with respect to all outstanding Indebtedness of the Borrower and its Subsidiaries (including all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing and net costs under Hedge Agreements in respect of interest rates to the extent such net costs are allocable to such period in accordance with GAAP).

"Consolidated Current Assets": at any date, all amounts (other than cash and Cash Equivalents) that would, in conformity with GAAP, be set forth opposite the caption "total current assets" (or any like caption) on a consolidated balance sheet of the Borrower and its Subsidiaries at such date.

"Consolidated Current Liabilities": at any date, all amounts that would, in conformity with GAAP, be set forth opposite the caption "total current liabilities" (or any like caption) on a consolidated balance sheet of the Borrower and its Subsidiaries at such date, but excluding (a) the current portion of any Funded Debt of the Borrower and its Subsidiaries and (b) without duplication of clause (a) above, all Indebtedness consisting of Revolving Loans or Swingline Loans to the extent otherwise included therein.

"Consolidated Debt Service Coverage Ratio": as of the last day of any period, the ratio of (a) Consolidated EBITDA for the relevant period ending on such day to (b) Consolidated Pro Forma Debt Service determined as of such day; provided that for the purposes this definition, Consolidated EBITDA shall be deemed to be equal to (i) with respect to the tower rental business of the Borrower, Consolidated EBITDA for the most recently completed fiscal quarter of the Borrower multiplied by four and (ii) with respect to all other businesses of the Borrower, Consolidated EBITDA for the most recently completed four fiscal quarters of the Borrower.

"Consolidated EBITDA": for any period, Consolidated Net Income for such period plus, without duplication and to the extent reflected as a charge in the statement of such Consolidated Net Income for such period, the sum of (a) income tax expense, (b) interest expense, amortization or writeoff of debt discount and debt issuance costs and commissions, discounts and other fees and charges associated with Indebtedness (including the Loans), (c) depreciation and amortization expense, (d) amortization of intangibles (including, but not limited to, goodwill) and organization costs, (e) any extraordinary, unusual or non-recurring non-cash expenses or losses (including, whether or not otherwise includable as a separate item in the statement of such Consolidated Net Income for such period, non-cash losses on sales of assets outside of the ordinary course of business), and (f) any other non-cash charges, and minus, to the extent included in the statement of such Consolidated Net Income for such period, the sum of (a) interest income, (b) any extraordinary, unusual or non-recurring income or gains (including, whether or not otherwise includable as a separate item in the statement of such Consolidated Net Income

for such period, gains on the sales of assets outside of the ordinary course of business) and (c) any other non-cash income, all as determined on a consolidated basis. Notwithstanding anything to the contrary in this Agreement, in determining Consolidated EBITDA, (x) the amount of Consolidated EBITDA attributable to any Subsidiary (other than a Wholly Owned Subsidiary) shall be included in such determination only to the extent of the Borrower's percentage ownership interest in such Subsidiary (except as provided in clause (y) below) and in any event shall not, in the case of any Specified Non-Wholly Owned Subsidiary, exceed the then outstanding principal amount of the Specified Intercompany Note issued by such Subsidiary divided by the then applicable Consolidated Leverage Ratio required by Section 7.1(a) and (y) the amount of Consolidated EBITDA attributable to the GTE JV shall be included in such determination only to the extent of the Borrower's percentage ownership interest in the GTE JV (determined on a pro forma basis after giving effect to the anticipated distribution (the "GTE Distribution") from time to time of up to 5,360,493 shares of the Capital Stock of Holdings to GTE Wireless at a price of $18.655 per share). The Australian Subsidiary shall be treated as a Wholly Owned Subsidiary of the Borrower for the purposes of this definition if and so long as it is a party to security documents satisfactory to the Administrative Agent and 100% of its Capital Stock has been pledged as Collateral. Notwithstanding anything to the contrary herein, Consolidated EBITDA attributable to any Subsidiary of any Specified Non-Wholly Owned Subsidiary (other than any such Subsidiary that itself is a Specified Non-Wholly Owned Subsidiary) or of the Australian Subsidiary shall be disregarded except to the extent actually distributed to such Specified Non-Wholly Owned Subsidiary or the Australian Subsidiary, as the case may be.

"Consolidated Fixed Charge Coverage Ratio": as of the last day of any period, the ratio of (a) Consolidated EBITDA for the period of four consecutive fiscal quarters ending on such day to (b) Consolidated Fixed Charges for the period of four consecutive fiscal quarters ending on such day.

"Consolidated Fixed Charges": for any period, the sum (without duplication) of (a) Consolidated Cash Interest Expense for such period, (b) all distributions made by the Borrower or any of its Subsidiaries during such period in order to enable Holdings to pay (i) cash interest or dividends in respect of Indebtedness or preferred stock of Holdings or (ii) overhead expenses of Holdings, (c) scheduled payments made during such period on account of principal of Indebtedness of the Borrower or any of its Subsidiaries (including scheduled principal payments in respect of the Term Loans and payments of Revolving Loans accompanying scheduled reductions of the Revolving Commitments) and (d) income tax expense for such period.

"Consolidated Interest Coverage Ratio": as of the last day of any period, the ratio of (a) Consolidated EBITDA for the period of four consecutive fiscal quarters ending on such day to (b) Consolidated Cash Interest Expense for the period of four consecutive fiscal quarters ending on such day.

"Consolidated Leverage Ratio": as of the last day of any period, the ratio of (a) Consolidated Total Debt on such day to (b) Consolidated EBITDA for such period; provided that for the purposes this definition, Consolidated EBITDA shall be deemed to be equal to (i) with respect to the tower rental business of the Borrower, Consolidated EBITDA for the most recently completed fiscal quarter of the Borrower multiplied by four and (ii) with respect to all other businesses of the Borrower, Consolidated EBITDA for the most recently completed four fiscal quarters of the Borrower.

"Consolidated Net Income": for any period, the consolidated net income (or loss) of the Borrower and its Subsidiaries (adjusted to exclude non-cash minority interests), determined on a

consolidated basis in accordance with GAAP; provided that there shall be excluded (a) the income (or deficit) of any Person accrued prior to the date it becomes a Subsidiary of the Borrower or is merged into or consolidated with the Borrower or any of its Subsidiaries, (b) the income (or deficit) of any Person (other than a Subsidiary of the Borrower) in which the Borrower or any of its Subsidiaries has an ownership interest, except to the extent that any such income is actually received by the Borrower or such Subsidiary in the form of dividends or similar distributions and (c) the undistributed earnings of any Subsidiary of the Borrower to the extent that the declaration or payment of dividends or similar distributions by such Subsidiary is not at the time permitted by the terms of any Contractual Obligation or Requirement of Law applicable to such Subsidiary.

"Consolidated Pro Forma Debt Service": as of the last day of any period, the sum of (a) Consolidated Cash Interest Expense for the period of four consecutive fiscal quarters ending on such day, (b) all distributions made by the Borrower or any of its Subsidiaries for the period of four consecutive fiscal quarters ending on such day in order to enable Holdings to pay (i) cash interest or dividends in respect of Indebtedness or preferred stock of Holdings or (ii) overhead expenses of Holdings and (c) scheduled principal payments on Indebtedness of the Borrower or any of its Subsidiaries for the period of four consecutive fiscal quarters commencing immediately after such day (or, in the case of the Revolving Facility, the excess, if any, of the Total Revolving Extensions of Credit outstanding on such day over the amount of the Total Revolving Commitments scheduled to be in effect at the end of such period of four consecutive fiscal quarters).

"Consolidated Total Debt": at any date, the aggregate principal amount of all Indebtedness of the Borrower and its Subsidiaries at such date, determined on a consolidated basis in accordance with GAAP.

"Consolidated Working Capital": at any date, the excess of Consolidated Current Assets on such date over Consolidated Current Liabilities on such date.

"Continuing Directors": the directors of Holdings on the Closing Date and each other director, if, in each case, such other director's nomination for election to the board of directors of Holdings is recommended by at least 66-2/3% of the then Continuing Directors.

"Contractual Obligation": as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

"Default": any of the events specified in Section 8, whether or not any requirement for the giving of notice, the lapse of time, or both, has been satisfied.

"Defaulting Lender": any Lender that defaults in its obligation to make any Loan hereunder.

"Disposition": with respect to any property, any sale, lease, sale and leaseback, assignment, conveyance, transfer or other disposition thereof. The terms "Dispose" and "Disposed of" shall have correlative meanings.

"Documentation Agent": as defined in the preamble hereto.

"Dollars" and "$": dollars in lawful currency of the United States.

"Domestic Subsidiary": any Subsidiary of the Borrower organized under the laws of any jurisdiction within the United States.

"Environmental Laws": any and all Requirements of Law regulating, relating to or imposing liability or standards of conduct concerning protection of human health or the environment.

"ERISA": the Employee Retirement Income Security Act of 1974, as amended from time to time.

"Eurocurrency Reserve Requirements": for any day as applied to a Eurodollar Loan, the aggregate (without duplication) of the maximum rates (expressed as a decimal fraction) of reserve requirements in effect on such day (including basic, supplemental, marginal and emergency reserves under any regulations of the Board or other Governmental Authority having jurisdiction with respect thereto) dealing with reserve requirements prescribed for eurocurrency funding (currently referred to as "Eurocurrency Liabilities" in Regulation D of the Board) maintained by a member bank of the Federal Reserve System.

"Eurodollar Base Rate": with respect to each day during each Interest Period pertaining to a Eurodollar Loan, the rate per annum determined on the basis of the rate for deposits in Dollars for a period equal to such Interest Period commencing on the first day of such Interest Period appearing on Page 3750 of the Dow Jones Markets screen as of 11:00 A.M., London time, two Business Days prior to the beginning of such Interest Period. In the event that such rate does not appear on Page 3750 of the Dow Jones Markets screen (or otherwise on such screen), the "Eurodollar Base Rate" shall be determined by reference to such other comparable publicly available service for displaying eurodollar rates as may be selected by the Administrative Agent or, in the absence of such availability, by reference to the rate at which the Administrative Agent is offered Dollar deposits at or about 11:00 A.M., New York City time, two Business Days prior to the beginning of such Interest Period in the interbank eurodollar market where its eurodollar and foreign currency and exchange operations are then being conducted for delivery on the first day of such Interest Period for the number of days comprised therein.

"Eurodollar Loans": Loans the rate of interest applicable to which is based upon the Eurodollar Rate.

"Eurodollar Rate": with respect to each day during each Interest Period pertaining to a Eurodollar Loan, a rate per annum determined for such day in accordance with the following formula (rounded upward to the nearest 1/100th of 1%):

$$\frac{\text{Eurodollar Base Rate}}{1.00 - \text{Eurocurrency Reserve Requirements}}$$

"Eurodollar Tranche": the collective reference to Eurodollar Loans under a particular Facility the then current Interest Periods with respect to all of which begin on the same date and end on the same later date (whether or not such Loans shall originally have been made on the same day).

"Event of Default": any of the events specified in Section 8, provided that any requirement for the giving of notice, the lapse of time, or both, has been satisfied.

"Excess Cash Flow": for any fiscal year of the Borrower, the excess, if any, of (a) the sum, without duplication, of (i) Consolidated Net Income for such fiscal year, (ii) an amount equal to the amount of all non-cash charges (including depreciation and amortization) deducted in arriving at such Consolidated Net Income, (iii) decreases in Consolidated Working Capital for such fiscal year, and (iv) an amount equal to the aggregate net non-cash loss on the Disposition of property by the Borrower and its Subsidiaries during such fiscal year (other than sales of inventory in the ordinary course of business), to the extent deducted in arriving at such Consolidated Net Income over (b) the sum, without duplication, of (i) an amount equal to the amount of all non-cash credits included in arriving at such Consolidated Net Income, (ii) the aggregate amount actually paid by the Borrower and its Subsidiaries in cash during such fiscal year on account of Capital Expenditures (excluding the principal amount of Indebtedness incurred in connection with such expenditures and any such expenditures financed with the proceeds of any Reinvestment Deferred Amount), (iii) the aggregate amount of all prepayments of Revolving Loans and Swingline Loans during such fiscal year to the extent accompanying permanent optional reductions of the Revolving Commitments and all optional prepayments of the Term Loans during such fiscal year, (iv) the aggregate amount of all regularly scheduled principal payments of Funded Debt (including the Term Loans) of the Borrower and its Subsidiaries made during such fiscal year (other than in respect of any revolving credit facility to the extent there is not an equivalent permanent reduction in commitments thereunder), (v) increases in Consolidated Working Capital for such fiscal year, and (vi) an amount equal to the aggregate net non-cash gain on the Disposition of property by the Borrower and its Subsidiaries during such fiscal year (other than sales of inventory in the ordinary course of business), to the extent included in arriving at such Consolidated Net Income.

"Excess Cash Flow Application Date": as defined in Section 2.9(c).

"Existing Investors": TeleDiffussion de France International S.A., Transmission Future Networks B.V., Candover Investments, PLC, Candover (Trustees) Limited, Candover Partners Limited, Ted B. Miller, Jr., Robert A. Crown, Barbara A. Crown, RC Investors Corp., BC Investors Corp., RACG Holdings LLC, BACG Holdings LLC, Berkshire Fund III Limited Partnership, Berkshire Fund IV Limited Partnership, Berkshire Investors PLC, Centennial Fund IV, LP, Centennial Fund V, LP, Centennial Entrepreneurs Fund V, LP, Nassau Capital Partners II, LP, NAS Partners I, LLC, Fay, Richwhite Communications Limited, PNC Venture Corp., American Home Assurance Company, New York Life Assurance Company, The Northwestern Mutual Life Insurance Company, Prime VIII, LP, Bell Atlantic Corporation, Bell South Corporation, General Electric Capital Corporation and SFG-P, Inc.

"Facility": each of (a) the Tranche A Term Commitments and the Tranche A Term Loans made thereunder (the "Tranche A Term Facility"), (b) the Tranche B Term Commitments and the Tranche B Term Loans made thereunder (the "Tranche B Term Facility"), (c) the Incremental Term Loans (the "Incremental Term Facility") and (d) the Revolving Commitments and the extensions of credit made thereunder (the "Revolving Facility").

"Federal Funds Effective Rate": for any day, the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average of the

quotations for the day of such transactions received by Chase from three federal funds brokers of recognized standing selected by it.

"Foreign Subsidiary": any Subsidiary of the Borrower that is not a Domestic Subsidiary.

"Funded Debt": as to any Person, all Indebtedness of such Person that matures more than one year from the date of its creation or matures within one year from such date but is renewable or extendible, at the option of such Person, to a date more than one year from such date or arises under a revolving credit or similar agreement that obligates the lender or lenders to extend credit during a period of more than one year from such date, including all current maturities and current sinking fund payments in respect of such Indebtedness whether or not required to be paid within one year from the date of its creation and, in the case of the Borrower, Indebtedness in respect of the Loans.

"Funding Office": the office of the Administrative Agent specified in Section 10.2 or such other office as may be specified from time to time by the Administrative Agent as its funding office by written notice to the Borrower and the Lenders.

"GAAP": generally accepted accounting principles in the United States as in effect from time to time, except that for purposes of Section 7.1, GAAP shall be determined on the basis of such principles in effect on the date hereof and consistent with those used in the preparation of the most recent audited financial statements referred to in Section 4.1(b). In the event that any "Accounting Change" (as defined below) shall occur and such change results in a change in the method of calculation of financial covenants, standards or terms in this Agreement, then the Borrower and the Administrative Agent agree to enter into negotiations in order to amend such provisions of this Agreement so as to equitably reflect such Accounting Changes with the desired result that the criteria for evaluating the Borrower's financial condition shall be the same after such Accounting Changes as if such Accounting Changes had not been made. Until such time as such an amendment shall have been executed and delivered by the Borrower, the Administrative Agent and the Required Lenders, all financial covenants, standards and terms in this Agreement shall continue to be calculated or construed as if such Accounting Changes had not occurred. "Accounting Changes" refers to changes in accounting principles required by the promulgation of any rule, regulation, pronouncement or opinion by the Financial Accounting Standards Board of the American Institute of Certified Public Accountants or, if applicable, the SEC.

"Governing Documents": collectively, as to any Person, the articles or certificate of incorporation and bylaws, any shareholders agreement, certificate of formation, limited liability company agreement, partnership agreement or other formation or constituent documents of such Person.

"Governmental Authority": any nation or government, any state or other political subdivision thereof, any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative functions of or pertaining to government, any securities exchange and any self-regulatory organization (including the National Association of Insurance Commissioners).

"GTE Distribution": as defined in the definition of "Consolidated EBITDA".

"GTE JV": Crown Castle GT Holding Company LLC, a Delaware limited liability company.

"GTE Wireless": GTE Wireless Incorporated, a Delaware corporation.

"Guarantee and Collateral Agreement": the Guarantee and Collateral Agreement to be executed and delivered by Holdings, the Borrower, each Subsidiary Guarantor and each Specified Non-Wholly Owned Subsidiary, substantially in the form of Exhibit A, as the same may be amended, supplemented or otherwise modified from time to time. If requested by the Administrative Agent, any Foreign Subsidiary that would otherwise be required to become a party to the Guarantee and Collateral Agreement shall instead become a party to separate agreements having a substantially equivalent effect.

"Guarantee Obligation": as to any Person (the "guaranteeing person"), any obligation of (a) the guaranteeing person or (b) another Person (including any bank under any letter of credit) to induce the creation of which the guaranteeing person has issued a reimbursement, counterindemnity or similar obligation, in either case guaranteeing or in effect guaranteeing any Indebtedness, leases, dividends or other obligations (the "primary obligations") of any third Person (the "primary obligor") in any manner, whether directly or indirectly, including any obligation of the guaranteeing person, whether or not contingent, (i) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (ii) to advance or supply funds (1) for the purchase or payment of any such primary obligation or (2) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation or (iv) otherwise to assure or hold harmless the owner of any such primary obligation against loss in respect thereof; provided, however, that the term Guarantee Obligation shall not include endorsements of instruments for deposit or collection in the ordinary course of business. The amount of any Guarantee Obligation of any guaranteeing person shall be deemed to be the lower of (a) an amount equal to the stated or determinable amount of the primary obligation in respect of which such Guarantee Obligation is made and (b) the maximum amount for which such guaranteeing person may be liable pursuant to the terms of the instrument embodying such Guarantee Obligation, unless such primary obligation and the maximum amount for which such guaranteeing person may be liable are not stated or determinable, in which case the amount of such Guarantee Obligation shall be such guaranteeing person's maximum reasonably anticipated liability in respect thereof as determined by the Borrower in good faith.

"Guarantors": the collective reference to Holdings and the Subsidiary Guarantors.

"Hedge Agreements": all interest rate swaps, caps or collar agreements or similar arrangements dealing with interest rates or currency exchange rates or the exchange of nominal interest obligations, either generally or under specific contingencies.

"Holdings": as defined in the preamble hereto.

"Holdings Debt Agreements": the collective reference to the agreements in existence on the Closing Date governing the 10-5/8% Senior Discount Notes, the 12-3/4% Senior Exchangeable Preferred Stock, the 12-3/4% Senior Subordinated Exchange Debentures, the 10-3/8% Senior Discount Notes, the 9% Senior Notes, the 11-1/4% Senior Discount Notes and the 9-1/2% Senior Notes of Holdings.

"Holdings Qualified Obligations": (a) Indebtedness or preferred stock of Holdings outstanding on the Closing Date, (b) Indebtedness or preferred stock of Holdings incurred or issued after the Closing Date, the net proceeds of which are contributed to the Borrower and are not used to make Investments in Persons that are not Subsidiaries of the Borrower and (c) any refinancing of any of the foregoing.

"Increased Facility Activation Date": any Business Day on which any Lender shall execute and deliver to the Administrative Agent an Increased Facility Activation Notice pursuant to Section 2.1(c).

"Increased Facility Activation Notice": a notice substantially in the form of Exhibit D-2.

"Increased Facility Closing Date": any Business Day designated as such in an Increased Facility Activation Notice.

"Incremental Term Facility": as defined in the definition of "Facility".

"Incremental Term Lenders": (a) on any Increased Facility Activation Date relating to Incremental Term Loans, the Lenders signatory to the relevant Increased Facility Activation Notice and (b) thereafter, each Lender that is a holder of an Incremental Term Loan.

"Incremental Term Loans": as defined in Section 2.1(a).

"Incremental Term Maturity Date": with respect to the Incremental Term Loans to be made pursuant to any Increased Facility Activation Notice, the maturity date specified in such Increased Facility Activation Notice, which date shall be a date at least six months after the final maturity of the Tranche B Term Loans.

"Indebtedness": of any Person at any date, without duplication, (a) all indebtedness of such Person for borrowed money, (b) all obligations of such Person for the deferred purchase price (to the extent determinable) of property or services (other than current trade payables incurred in the ordinary course of such Person's business), provided that to the extent any such obligation is reflected as a liability on the balance sheet of such Person, such obligation shall in any event be considered "Indebtedness", (c) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments, (d) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), (e) all Capital Lease Obligations of such Person, (f) all obligations of such Person, contingent or otherwise, as an account party or applicant under or in respect of acceptances, letters of credit, surety bonds or similar arrangements, (g) the liquidation value of all redeemable preferred Capital Stock of such Person, (h) all Guarantee Obligations of such Person in respect of obligations of the kind referred to in clauses (a) through (g) above, (i) all obligations of the kind referred to in clauses (a) through (h) above secured by (or for which the holder of such obligation has an existing right, contingent or otherwise, to be secured by) any Lien on property (including accounts and contract rights) owned by such Person, whether or not such Person has assumed or become liable for the payment of such obligation and (j) for the purposes of Sections 7.2 and 8(e) only, all obligations of such Person in respect of Hedge Agreements. The Indebtedness of any Person shall include the Indebtedness of any other entity

(including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness expressly provide that such Person is not liable therefor.

"Insolvency": with respect to any Multiemployer Plan, the condition that such Plan is insolvent within the meaning of Section 4245 of ERISA.

"Insolvent": pertaining to a condition of Insolvency.

"Intellectual Property": the collective reference to all rights, priorities and privileges relating to intellectual property, whether arising under United States, multinational or foreign laws or otherwise, including copyrights, copyright licenses, patents, patent licenses, trademarks, trademark licenses, technology, know-how and processes, and all rights to sue at law or in equity for any infringement or other impairment thereof, including the right to receive all proceeds and damages therefrom.

"Interest Payment Date": (a) as to any ABR Loan, the last day of each March, June, September and December to occur while such Loan is outstanding and the final maturity date of such Loan, (b) as to any Eurodollar Loan having an Interest Period of three months or less, the last day of such Interest Period, (c) as to any Eurodollar Loan having an Interest Period longer than three months, each day that is three months, or a whole multiple thereof, after the first day of such Interest Period and the last day of such Interest Period and (d) as to any Loan (other than any Revolving Loan that is an ABR Loan and any Swingline Loan), the date of any repayment or prepayment made in respect thereof.

"Interest Period": as to any Eurodollar Loan, (a) initially, the period commencing on the borrowing or conversion date, as the case may be, with respect to such Eurodollar Loan and ending one, two, three or six (or, with the consent of all Lenders under the relevant Facility, nine or twelve) months thereafter, as selected by the Borrower in its notice of borrowing or notice of conversion, as the case may be, given with respect thereto; and (b) thereafter, each period commencing on the last day of the next preceding Interest Period applicable to such Eurodollar Loan and ending one, two, three or six (or, with the consent of all Lenders under the relevant Facility, nine or twelve) months thereafter, as selected by the Borrower by irrevocable notice to the Administrative Agent not less than three Business Days prior to the last day of the then current Interest Period with respect thereto; provided that, all of the foregoing provisions relating to Interest Periods are subject to the following:

(i) if any Interest Period would otherwise end on a day that is not a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless the result of such extension would be to carry such Interest Period into another calendar month in which event such Interest Period shall end on the immediately preceding Business Day;

(ii) the Borrower may not select an Interest Period under a particular Facility that would extend beyond the Revolving Termination Date or beyond the date final payment is due on the Tranche A Term Loans, the Tranche B Term Loans or the relevant Incremental Term Loans, as the case may be;

(iii) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of a calendar month; and

(iv) the Borrower shall select Interest Periods so as not to require a payment or prepayment of any Eurodollar Loan during an Interest Period for such Loan.

"Investments": as defined in Section 7.7.

"Issuing Lender": each of Chase, KCCI and any other Revolving Lender that has agreed in its sole discretion to act as an "Issuing Lender" hereunder and that has been approved in writing by the Administrative Agent as an "Issuing Lender" hereunder, in each case in its capacity as issuer of any Letter of Credit.

"KCCI": Key Corporate Capital Inc.

"KCCI Credit Agreement": the Amended and Restated Loan Agreement, dated as of July 10, 1998, by and among Crown Communication Inc., Crown Castle International Corp. de Puerto Rico, KCCI, PNC Bank, National Association and the other financial institutions party thereto.

"L/C Commitment": $25,000,000.

"L/C Fee Payment Date": the last day of each March, June, September and December and the last day of the Revolving Commitment Period.

"L/C Obligations": at any time, an amount equal to the sum of (a) the aggregate then undrawn and unexpired amount of the then outstanding Letters of Credit and (b) the aggregate amount of drawings under Letters of Credit that have not then been reimbursed pursuant to Section 3.5.

"L/C Participants": with respect to any Letter of Credit, the collective reference to all the Revolving Lenders other than the Issuing Lender that issued such Letter of Credit.

"Lenders": as defined in the preamble hereto; provided, that unless the context otherwise requires, each reference herein to the Lenders shall be deemed to include any Conduit Lender.

"Letters of Credit": as defined in Section 3.1(a).

"Lien": any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge or other security interest or any preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including any conditional sale or other title retention agreement and any capital lease having substantially the same economic effect as any of the foregoing).

"Loan": any loan made by any Lender pursuant to this Agreement.

"Loan Documents": this Agreement, the Security Documents, Specified Intercompany Notes and any note evidencing Australian Intercompany Loans.

"Loan Parties": Holdings, the Borrower and each Subsidiary of the Borrower that is a party to a Loan Document.

"Majority Facility Lenders": with respect to any Facility, the holders of more than 50% of the aggregate unpaid principal amount of the Tranche A Term Loans, the Tranche B Term Loans, the Incremental Term Loans or the Total Revolving Extensions of Credit, as the case may be, outstanding under such Facility (or, in the case of the Revolving Facility, prior to any termination of the Revolving Commitments, the holders of more than 50% of the Total Revolving Commitments).

"Material Action": with respect to any Unrestricted Subsidiary, Unrestricted Subsidiary SPV or Tower SPV, (i) to consolidate or merge such Person with or into any other Person, or sell all or substantially all of the assets of such Person, or to institute proceedings to have such Person be adjudicated bankrupt or insolvent, or consent to the institution of bankruptcy or insolvency proceedings against such Person or file a petition seeking, or consent to, reorganization or relief with respect to such Person under any applicable federal or state law relating to bankruptcy, or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of such Person or a substantial part of its property, or make any assignment for the benefit of creditors of such Person, or admit in writing such Person's inability to pay its debts generally as they become due, or, to the fullest extent permitted by law, take action in furtherance of any such action, or dissolve or liquidate such Person, or (ii) to take any other action that would cause or permit the dissolution of such Person whether pursuant to the Governing Documents of such Person, judicial dissolution, applicable law or otherwise.

"Material Adverse Effect": a material adverse effect on (a) the business, property, operations or condition (financial or otherwise) of the Borrower and its Subsidiaries taken as a whole or (b) the validity or enforceability of this Agreement or any of the other Loan Documents or the rights or remedies of the Administrative Agent or the Lenders hereunder or thereunder.

"Materials of Environmental Concern": any gasoline or petroleum (including crude oil or any fraction thereof) or petroleum products or any hazardous or toxic substances, materials or wastes, defined or regulated as such in or under any Environmental Law, including asbestos, polychlorinated biphenyls and urea-formaldehyde insulation.

"Multiemployer Plan": a Plan that is a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

"Net Cash Proceeds": (a) in connection with any Asset Sale or any Recovery Event, the proceeds thereof in the form of cash and Cash Equivalents (including any such proceeds received by way of deferred payment of principal pursuant to a note or installment receivable or purchase price adjustment receivable or otherwise, but only as and when received) of such Asset Sale or Recovery Event, net of attorneys' fees, accountants' fees, investment banking fees, amounts required to be applied to the repayment of Indebtedness secured by a Lien expressly permitted hereunder on any asset that is the subject of such Asset Sale or Recovery Event (other than any Lien pursuant to a Security Document) and other customary fees and expenses actually incurred in connection therewith and net of taxes paid or reasonably estimated to be payable as a result thereof (after taking into account any available tax credits or deductions and any tax sharing arrangements) and (b) in connection with any issuance or sale of Capital Stock or any incurrence of Indebtedness, the cash proceeds received from such issuance or

incurrence, net of attorneys' fees, investment banking fees, accountants' fees, underwriting discounts and commissions and other customary fees and expenses actually incurred in connection therewith.

"New Lender": as defined in Section 2.1(d).

"New Lender Supplement": as defined in Section 2.1(d).

"Non-Excluded Taxes": as defined in Section 2.17(a).

"Non-U.S. Lender": as defined in Section 2.17(d).

"Obligations": the unpaid principal of and interest on (including interest accruing after the maturity of the Loans and Reimbursement Obligations and interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to the Borrower, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) the Loans and all other obligations and liabilities of the Borrower to the Administrative Agent or to any Lender (or, in the case of Hedge Agreements, any affiliate of any Lender), whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, this Agreement, any other Loan Document, the Letters of Credit, any Hedge Agreement entered into with any Lender or any affiliate of any Lender or any other document made, delivered or given in connection herewith or therewith, whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses (including all fees, charges and disbursements of counsel to the Administrative Agent or to any Lender that are required to be paid by the Borrower pursuant hereto) or otherwise.

"Other Taxes": any and all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Loan Document.

"Participant": as defined in Section 10.6(b).

"PBGC": the Pension Benefit Guaranty Corporation established pursuant to Subtitle A of Title IV of ERISA (or any successor).

"Permitted Borrower Subordinated Indebtedness": Indebtedness of the Borrower to Holdings which is evidenced by a promissory note substantially identical to Exhibit I.

"Person": an individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, Governmental Authority or other entity of whatever nature.

"Plan": at a particular time, any employee benefit plan that is covered by ERISA and in respect of which the Borrower or a Commonly Controlled Entity is (or, if such plan were terminated at such time, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"Pricing Grid": the pricing grid attached hereto as Annex A.

"Pro Forma Balance Sheets": as defined in Section 4.1(a).

"Projections": as defined in Section 6.2(c).

"Properties": as defined in Section 4.17(a).

"Recovery Event": any settlement of or payment in respect of any property or casualty insurance claim or any condemnation proceeding relating to any asset of the Borrower or any of its Subsidiaries.

"Refunded Swingline Loans": as defined in Section 2.5(b).

"Refunding Date": as defined in Section 2.5(c).

"Register": as defined in Section 10.6(d).

"Regulation U": Regulation U of the Board as in effect from time to time.

"Reimbursement Obligation": the obligation of the Borrower to reimburse the relevant Issuing Lender pursuant to Section 3.5 for amounts drawn under Letters of Credit.

"Reinvestment Deferred Amount": with respect to any Reinvestment Event, the aggregate Net Cash Proceeds received by the Borrower or any of its Subsidiaries in connection therewith that are not applied to prepay the Term Loans or reduce the Revolving Commitments pursuant to Section 2.9(b) as a result of the delivery of a Reinvestment Notice.

"Reinvestment Event": any Asset Sale or Recovery Event in respect of which the Borrower has delivered a Reinvestment Notice.

"Reinvestment Notice": a written notice executed by a Responsible Officer stating that the Borrower (directly or indirectly through a Subsidiary) intends and expects to use all or a specified portion of the Net Cash Proceeds of an Asset Sale or Recovery Event to acquire or repair assets useful in its business.

"Reinvestment Prepayment Amount": with respect to any Reinvestment Event, the Reinvestment Deferred Amount relating thereto less any amount expended prior to the relevant Reinvestment Prepayment Date to acquire or repair assets useful in the Borrower's business.

"Reinvestment Prepayment Date": with respect to any Reinvestment Event, the earlier of (a) the date occurring twelve months after such Reinvestment Event and (b) the date on which the Borrower shall have determined not to, or shall have otherwise ceased to, acquire or repair assets useful in the Borrower's business with all or any portion of the relevant Reinvestment Deferred Amount.

"Reorganization": with respect to any Multiemployer Plan, the condition that such plan is in reorganization within the meaning of Section 4241 of ERISA.

"Reportable Event": any of the events set forth in Section 4043(c) of ERISA, other than those events as to which the thirty day notice period is waived under subsections .27, .28, .29, .30, .31, .32, .34 or .35 of PBGC Reg. (S) 4043.

"Required Lenders": at any time, the holders of more than 50% of the sum of (a) the aggregate unpaid principal amount of the Term Loans then outstanding, (b) the aggregate Tranche A Term Commitments then in effect and (c) the Total Revolving Commitments then in effect or, if the Revolving Commitments have been terminated, the Total Revolving Extensions of Credit then outstanding. The Term Loans outstanding, Tranche A Commitments and Revolving Commitments in effect (or, when applicable, Revolving Extensions of Credit outstanding) of any Defaulting Lender shall be excluded for purposes of any vote of the Required Lenders.

"Requirement of Law": as to any Person, the Certificate of Incorporation and By-Laws or other organizational or governing documents of such Person, and any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"Responsible Officer": the chief executive officer, president, chief financial officer, chief accounting officer or treasurer of the Borrower, but in any event, with respect to financial matters, the chief financial officer of the Borrower.

"Restricted Payments": as defined in Section 7.6.

"Revolving Aggregate Committed Amount": the sum of the Total Revolving Commitments as in effect on the Closing Date and the amount of any increases therein effected pursuant to Section 2.1(c).

"Revolving Commitment": as to any Lender, the obligation of such Lender, if any, to make Revolving Loans and participate in Swingline Loans and Letters of Credit in an aggregate principal and/or face amount not to exceed the amount set forth under the heading "Revolving Commitment" opposite such Lender's name on Schedule 1.1 or in the Assignment and Acceptance or New Lender Supplement pursuant to which such Lender became a party hereto, as the same may be changed from time to time pursuant to the terms hereof. The original amount of the Total Revolving Commitments is $500,000,000.

"Revolving Commitment Period": the period from and including the Closing Date to the Revolving Termination Date.

"Revolving Extensions of Credit": as to any Revolving Lender at any time, an amount equal to the sum of (a) the aggregate principal amount of all Revolving Loans held by such Lender then outstanding, (b) such Lender's Revolving Percentage of the L/C Obligations then outstanding and (c) such Lender's Revolving Percentage of the aggregate principal amount of Swingline Loans then outstanding.

"Revolving Facility": as defined in the definition of "Facility".

"Revolving Lender": each Lender that has a Revolving Commitment or that holds Revolving Loans.

"Revolving Loans": as defined in Section 2.1(b).

"Revolving Percentage": as to any Revolving Lender at any time, the percentage which such Lender's Revolving Commitment then constitutes of the Total Revolving Commitments (or, at any time after the Revolving Commitments shall have expired or terminated, the percentage which the aggregate principal amount of such Lender's Revolving Loans then outstanding constitutes of the aggregate principal amount of the Revolving Loans then outstanding).

"Revolving Termination Date": September 15, 2007.

"SEC": the Securities and Exchange Commission, any successor thereto and any analogous Governmental Authority.

"Security Documents": the collective reference to the Guarantee and Collateral Agreement, all other security documents hereafter delivered to the Administrative Agent granting a Lien on any property of any Person to secure the obligations and liabilities of any Loan Party under any Loan Document and any separate guarantee agreement entered into by any Subsidiary in order to guarantee the Obligations.

"Single Employer Plan": any Plan that is covered by Title IV of ERISA, but that is not a Multiemployer Plan.

"Solvent": when used with respect to any Person, means that, as of any date of determination, (a) the amount of the "present fair saleable value" of the assets of such Person will, as of such date, exceed the amount of all "liabilities of such Person, contingent or otherwise" after giving effect to the expected value of rights of indemnity, contribution and subrogation, as of such date, as such quoted terms are determined in accordance with applicable federal and state laws governing determinations of the insolvency of debtors, (b) the present fair saleable value of the assets of such Person will, as of such date, be greater than the amount that will be required to pay the liability of such Person on its debts as such debts become absolute and matured after giving effect to the expected value of rights of indemnity, contribution and subrogation, (c) such Person will not have, as of such date, an unreasonably small amount of capital with which to conduct its business, and (d) such Person will be able to pay its debts as they mature after giving effect to the expected value of rights of indemnity, contribution and subrogation. For purposes of this definition, (i) "debt" means liability on a "claim", and (ii) "claim" means any (x) right to payment, whether or not such a right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured or (y) right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured or unmatured, disputed, undisputed, secured or unsecured.

"Specified Change of Control": a "Change of Control" or any defined term having a comparable purpose contained in the documentation governing any Indebtedness of Holdings or the Borrower.

"Specified Intercompany Note": as defined in the definition of Specified Non-Wholly Owned Subsidiary.

"Specified Non-Wholly Owned Subsidiary": any Subsidiary of the Borrower (other than a Wholly Owned Subsidiary) that (a) is designated as such by the Borrower in a written notice to the Administrative Agent substantially concurrently with the acquisition thereof and (b) has issued an intercompany note (a "Specified Intercompany Note") to the Borrower or any Wholly Owned Qualifying Subsidiary Guarantor representing amounts actually loaned to such Subsidiary, which note (i) shall be in form and substance satisfactory to the Administrative Agent and (ii) shall be secured by a valid and perfected Lien on all assets of such Subsidiary that fall within any of the categories of "Collateral" referred to in the Guarantee and Collateral Agreement.

"Subsidiary": as to any Person, a corporation, partnership, limited liability company or other entity of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation, partnership or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by such Person; provided, that, except as otherwise specified in this Agreement, Unrestricted Subsidiaries shall be deemed not to constitute "Subsidiaries" for the purposes of this Agreement (other than the definitions of "Unrestricted Borrower Subsidiary", "Unrestricted Holdings Subsidiary" and "Unrestricted Subsidiary" and Sections 6.11 and 7.15). Unless otherwise qualified, all references to a "Subsidiary" or to "Subsidiaries" in this Agreement shall refer to a Subsidiary or Subsidiaries of the Borrower.

"Subsidiary Guarantor": each Subsidiary of the Borrower other than (a) the GTE JV, (b) the Australian Subsidiary and its Subsidiaries and (c) any Specified Non-Wholly Owned Subsidiary and its Subsidiaries.

"Swingline Commitment": the obligation of the Swingline Lender to make Swingline Loans pursuant to Section 2.4 in an aggregate principal amount at any one time outstanding not to exceed $15,000,000.

"Swingline Lender": Chase, in its capacity as the lender of Swingline Loans.

"Swingline Loans": as defined in Section 2.4(a).

"Swingline Participation Amount": as defined in Section 2.5(c).

"Syndication Agents": as defined in the preamble hereto.

"Term Lenders": the collective reference to the Tranche A Term Lenders, the Tranche B Term Lenders and the Incremental Term Lenders.

"Term Loans": the collective reference to the Tranche A Term Loans, Tranche B Term Loans and Incremental Term Loans.

"Total Revolving Commitments": at any time, the aggregate amount of the Revolving Commitments then in effect.

"Total Revolving Extensions of Credit": at any time, the aggregate amount of the Revolving Extensions of Credit of the Revolving Lenders outstanding at such time.

"Tower SPV": a Wholly Owned Subsidiary of the Borrower formed for the sole purpose of holding communications tower facilities.

"Tranche A Aggregate Funded Amount": the sum of the aggregate principal amount of Tranche A Term Loans made pursuant to Section 2.1(a) and the aggregate principal amount of Tranche A Term Loans made pursuant to Section 2.1(c).

"Tranche A Term Commitment": as to any Lender, the obligation of such Lender, if any, to make a Tranche A Term Loan to the Borrower hereunder in a principal amount not to exceed the amount set forth under the heading "Tranche A Term Commitment" opposite such Lender's name on Schedule 1.1. The original aggregate amount of the Tranche A Term Commitments is $300,000,000.

"Tranche A Term Facility": as defined in the definition of "Facility".

"Tranche A Term Lender": each Lender that has a Tranche A Term Commitment or is the holder of a Tranche A Term Loan.

"Tranche A Term Loan": as defined in Section 2.1(a).

"Tranche A Term Percentage": as to any Tranche A Term Lender at any time, the percentage which the aggregate principal amount of such Lender's Tranche A Term Loans then outstanding constitutes of the aggregate principal amount of all Tranche A Term Loans then outstanding.

"Tranche B Aggregate Funded Amount": the aggregate principal amount of Tranche B Term Loans made on the Closing Date.

"Tranche B Term Commitment": as to any Lender, the obligation of such Lender, if any, to make a Tranche B Term Loan to the Borrower hereunder in a principal amount not to exceed the amount set forth under the heading "Tranche B Term Commitment" opposite such Lender's name on Schedule 1.1. The original aggregate amount of the Tranche B Term Commitments is $400,000,000.

"Tranche B Term Facility": as defined in the definition of "Facility".

"Tranche B Term Lender": each Lender that has a Tranche B Term Commitment or that holds a Tranche B Term Loan.

"Tranche B Term Loan": as defined in Section 2.1(a).

"Tranche B Term Percentage": as to any Tranche B Lender at any time, the percentage which such Lender's Tranche B Term Commitment then constitutes of the aggregate Tranche B Term Commitments (or, at any time after the Closing Date, the percentage which the aggregate principal amount of such Lender's Tranche B Term Loans then outstanding constitutes of the aggregate principal amount of the Tranche B Term Loans then outstanding).

"Transferee": any Assignee or Participant.

"Type": as to any Loan, its nature as an ABR Loan or a Eurodollar Loan.

"United States": the United States of America.

"Unrestricted Borrower Subsidiary": (a) any Subsidiary of the Borrower created, acquired or activated by the Borrower or any of its Subsidiaries and designated as such by the Borrower substantially concurrently with such creation, acquisition or activation and (b) any Subsidiary of such designated Subsidiary, provided, that (i) at no time shall any creditor of any such Subsidiary have any claim (whether pursuant to a Guarantee Obligation, by operation of law or otherwise) against Holdings or any of its other Subsidiaries (other than another Unrestricted Borrower Subsidiary) in respect of any Indebtedness or other obligation of any such Subsidiary; (ii) neither of Holdings nor any of its Subsidiaries (other than another Unrestricted Borrower Subsidiary) shall become a general partner of any such Subsidiary; (iii) no default with respect to any Indebtedness of any such Subsidiary (including any right which the holders thereof may have to take enforcement action against any such Subsidiary) shall permit (upon notice, lapse of time or both) any holder of any Indebtedness of Holdings or its other Subsidiaries (other than another Unrestricted Borrower Subsidiary) to declare a default on such other Indebtedness or cause the payment thereof to be accelerated or payable prior to its final scheduled maturity; (iv) all Capital Stock of such Subsidiary shall be held at all times by an Unrestricted Subsidiary SPV; and (v) at the time of such designation, no Default or Event of Default shall have occurred and be continuing or would result therefrom.

"Unrestricted Holdings Subsidiary": (a) any Subsidiary of Holdings (other than the Borrower and its Subsidiaries) created, acquired or activated by Holdings or any of its Subsidiaries (other than the Borrower and its Subsidiaries) and designated as such by Holdings substantially concurrently with such creation, acquisition or activation and (b) any Subsidiary of such designated Subsidiary, provided, that (i) at no time shall any creditor of any such Subsidiary have any claim (whether pursuant to a Guarantee Obligation, by operation of law or otherwise) against Holdings or any of its other Subsidiaries (other than another Unrestricted Holdings Subsidiary) in respect of any Indebtedness or other obligation of any such Subsidiary; (ii) neither Holdings nor any of its Subsidiaries (other than another Unrestricted Holdings Subsidiary) shall become a general partner of any such Subsidiary; (iii) no default with respect to any Indebtedness of any such Subsidiary (including any right which the holders thereof may have to take enforcement action against any such Subsidiary) shall permit (upon notice, lapse of time or both) any holder of any Indebtedness of Holdings or its other Subsidiaries (other than another Unrestricted Holdings Subsidiary) to declare a default on such other Indebtedness or cause the payment thereof to be accelerated or payable prior to its final scheduled maturity; (iv) all Capital Stock of such Subsidiary shall be held at all times by an Unrestricted Subsidiary SPV; and (v) at the time of such designation, no Default or Event of Default shall have occurred and be continuing or would result therefrom.

"Unrestricted Subsidiaries": the collective reference to the Unrestricted Borrower Subsidiaries and the Unrestricted Holdings Subsidiaries. It is understood that Unrestricted Subsidiaries shall be disregarded for the purposes of any calculation pursuant to this Agreement relating to financial matters with respect to the Borrower. Notwithstanding anything to the contrary contained in this Agreement, (x) so long as any Australian Intercompany Loans are outstanding, the Australian Subsidiary shall not be an Unrestricted Subsidiary, (y) the GTE JV shall not be an Unrestricted Subsidiary and (z) no Tower SPV or Unrestricted Subsidiary SPV shall be an Unrestricted Subsidiary.

"Unrestricted Subsidiary SPV": a Wholly Owned Subsidiary of Holdings or the Borrower, as the case may be, formed for the sole purpose of holding the Capital Stock of one or more Unrestricted Subsidiaries.

"Wholly Owned Subsidiary": as to any Person, any other Person all of the Capital Stock of which (other than directors' qualifying shares required by law) is owned by such Person directly and/or through other Wholly Owned Subsidiaries.

"Wholly Owned Subsidiary Guarantor": any Subsidiary Guarantor that is a Wholly Owned Subsidiary of the Borrower.

"Wholly Owned Qualifying Subsidiary Guarantor": any Wholly Owned Subsidiary Guarantor organized under the laws of any jurisdiction within the United States, the United Kingdom or Australia.

1.2 Other Definitional Provisions. (a) Unless otherwise specified therein, all terms defined in this Agreement shall have the defined meanings when used in the other Loan Documents or any certificate or other document made or delivered pursuant hereto or thereto.

(b) As used herein and in the other Loan Documents, and any certificate or other document made or delivered pursuant hereto or thereto, (i) accounting terms relating to Holdings, the Borrower and its Subsidiaries not defined in Section 1.1 and accounting terms partly defined in Section 1.1, to the extent not defined, shall have the respective meanings given to them under GAAP, (ii) the words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation", (iii) the word "incur" shall be construed to mean incur, create, issue, assume, become liable in respect of or suffer to exist (and the words "incurred" and "incurrence" shall have correlative meanings), and (iv) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, Capital Stock, securities, revenues, accounts, leasehold interests and contract rights.

(c) The words "hereof", "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section, Schedule and Exhibit references are to this Agreement unless otherwise specified.

(d) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

(e) For the purposes of calculating Consolidated EBITDA and Consolidated Cash Interest Expense for any period of four consecutive fiscal quarters (each, a "Reference Period") pursuant to any determination of the Consolidated Leverage Ratio or the Consolidated Debt Service Coverage Ratio, (i) if at any time during such Reference Period the Borrower or any Subsidiary shall have made any Material Disposition, the Consolidated EBITDA for such Reference Period shall be reduced by an amount equal to the Consolidated EBITDA (if positive) attributable to the property that is the subject of such Material Disposition for such Reference Period or increased by an amount equal to the Consolidated EBITDA (if negative) attributable thereto for such Reference Period, and Consolidated Cash Interest Expense for such Reference Period shall be reduced by an amount equal to the Consolidated Cash

Interest Expense for such Reference Period attributable to any Indebtedness of the Borrower or any Subsidiary repaid, repurchased, defeased or otherwise discharged with respect to the Borrower and its Subsidiaries in connection with such Material Disposition (or, if the Capital Stock of any Subsidiary is sold, the Consolidated Cash Interest Expense for such Reference Period directly attributable to the Indebtedness of such Subsidiary to the extent the Borrower and its continuing Subsidiaries are no longer liable for such Indebtedness after such Disposition) and (ii) if during such Reference Period the Borrower or any Subsidiary shall have made a Material Acquisition, Consolidated EBITDA and Consolidated Cash Interest Expense for such Reference Period shall be calculated after giving pro forma effect thereto (including the incurrence or assumption of any Indebtedness in connection therewith) as if such Material Acquisition (and the incurrence or assumption of any such Indebtedness) occurred on the first day of such Reference Period. As used herein, "Material Acquisition" means any acquisition of property or series of related acquisitions of property that (a) constitutes assets comprising all or substantially all of an operating unit of a business or constitutes all or substantially all of the common stock of a Person and (b) involves the payment of consideration by the Borrower and its Subsidiaries in excess of $1,000,000; and "Material Disposition" means any Disposition of property or series of related Dispositions of property that yields gross proceeds to the Borrower or any of its Subsidiaries in excess of $1,000,000.

SECTION 2. AMOUNT AND TERMS OF COMMITMENTS

2.1 Commitments; Increases in the Tranche A Term Facility and the Revolving Facility; Incremental Term Loans. (a) Subject to the terms and conditions hereof, (i) each Tranche A Term Lender severally agrees to make one or more term loans (each, a "Tranche A Term Loan") to the Borrower in an aggregate amount not to exceed the amount of the Tranche A Term Commitment of such Lender, (ii) each Tranche B Term Lender severally agrees to make a term loan (each, a "Tranche B Term Loan") to the Borrower in an amount not to exceed the amount of the Tranche B Term Commitment of such Lender and (iii) each Incremental Term Lender severally agrees to make one or more term loans (each, an "Incremental Term Loan") to the extent provided in Section 2.1(c). The Term Loans may from time to time be Eurodollar Loans or ABR Loans, as determined by the Borrower and notified to the Administrative Agent in accordance with Sections 2.2 and 2.10. Except as otherwise provided in Section 2.1(c), Tranche A Term Loans may only be made during the period (the "Tranche A Commitment Period") from and including the Closing Date to the date that is 18 months thereafter (such date, the "Tranche A Commitment Termination Date"); provided, that $150,000,000 of the Tranche A Term Commitments must be used (if at all) on or prior to the first anniversary of the Closing Date. The Tranche A Term Commitments shall automatically be permanently reduced by the amount of any borrowing thereunder. Any unutilized Tranche A Term Commitments shall automatically terminate on the Tranche A Commitment Termination Date. Tranche B Term Loans may only be made on the Closing Date.

(b) Subject to the terms and conditions hereof, each Revolving Lender severally agrees to make revolving credit loans ("Revolving Loans") to the Borrower from time to time during the Revolving Commitment Period in an aggregate principal amount at any one time outstanding which, when added to such Lender's Revolving Percentage of the sum of (i) the L/C Obligations then outstanding and (ii) the aggregate principal amount of the Swingline Loans then outstanding, does not exceed the amount of such Lender's Revolving Commitment. During the Revolving Commitment Period the Borrower may use the Revolving Commitments by borrowing, prepaying the Revolving Loans in whole or in part, and reborrowing, all in accordance with the terms and conditions hereof. The Revolving Loans may from time to time be Eurodollar Loans or ABR Loans, as determined by the Borrower and notified to the

Administrative Agent in accordance with Sections 2.2 and 2.10. Notwithstanding anything to the contrary in this Agreement, the Borrower may not borrow more than $25,000,000 of Revolving Loans prior to the later to occur of (i) the date on which the Tranche A Term Facility shall have been fully utilized or is no longer available and (ii) the date on which at least $425,000,000 of cash held by Holdings on January 1, 2000 shall have been contributed to the Borrower or any of the Borrower's Subsidiaries.

(c) The Borrower and any one or more Lenders (including New Lenders) may from time to time agree that such Lenders shall make, obtain or increase the amount of their Tranche A Term Loans, Tranche A Term Commitments, Incremental Term Loans or Revolving Commitments, as applicable, by executing and delivering to the Administrative Agent an Increased Facility Activation Notice specifying (i) the amount of such increase and the Facility or Facilities involved, (ii) the applicable Increased Facility Closing Date and (iii) in the case of Incremental Term Loans, (x) the applicable Incremental Term Maturity Date, (y) the amortization schedule for such Incremental Term Loans, which shall comply with Section 2.3, and (z) the Applicable Margin for such Incremental Term Loans. Notwithstanding the foregoing, without the consent of the Required Lenders, (i) the aggregate amount of borrowings of Incremental Term Loans shall not exceed an amount equal to (x) $300,000,000 minus (y) the aggregate amount of incremental Tranche A Term Loans, incremental Tranche A Term Commitments or incremental Revolving Commitments obtained pursuant to this paragraph, (ii) the aggregate amount of incremental Tranche A Term Loans, incremental Tranche A Term Commitments and/or incremental Revolving Commitments obtained pursuant to this paragraph shall not exceed $200,000,000, (iii) incremental Tranche A Term Loans, incremental Tranche A Term Commitments, Incremental Term Loans and incremental Revolving Commitments may not be made, obtained or increased on or after the second anniversary of the Closing Date or after the occurrence and during the continuation of a Default or Event of Default, (iv) each increase effected pursuant to this paragraph shall be in a minimum amount of at least $50,000,000 and (v) no more than five Increased Facility Closing Dates may be selected by the Borrower during the term of this Agreement. Any incremental Tranche A Term Loans, incremental Tranche A Term Commitments, Incremental Term Loans and incremental Revolving Commitments shall be governed by this Agreement and the other Loan Documents and be on terms no more restrictive when viewed as a whole than those set forth herein and therein. No Lender shall have any obligation to participate in any increase described in this paragraph unless it agrees to do so in its sole discretion. Notwithstanding the foregoing, no increase described in this paragraph may be made or obtained unless and until the Borrower has delivered to the Administrative Agent revised Projections taking into account such increase.

(d) Any additional bank, financial institution or other entity which, with the consent of the Borrower and the Administrative Agent (which consent shall not be unreasonably withheld), elects to become a "Lender" under this Agreement in connection with any transaction described in Section 2.1(c) shall execute a New Lender Supplement (each, a "New Lender Supplement"), substantially in the form of Exhibit D-1, whereupon such bank, financial institution or other entity (a "New Lender") shall become a Lender for all purposes and to the same extent as if originally a party hereto and shall be bound by and entitled to the benefits of this Agreement.

(e) Unless otherwise agreed by the Administrative Agent, on each Increased Facility Closing Date (other than in respect of Incremental Term Loans), the Borrower shall borrow Tranche A Term Loans under the increased Tranche A Term Facility, or shall borrow Revolving Loans under the increased Revolving Commitments, as the case may be, from each Lender participating in the relevant increase in an amount determined by reference to the amount of each Type of Loan (and, in the case of

Eurodollar Loans, of each Eurodollar Tranche) which would then have been outstanding from such Lender if (i) each such Type or Eurodollar Tranche had been borrowed or effected on such Increased Facility Closing Date and (ii) the aggregate amount of each such Type or Eurodollar Tranche requested to be so borrowed or effected had been proportionately increased. The Eurodollar Base Rate applicable to any Eurodollar Loan borrowed pursuant to the preceding sentence shall equal the Eurodollar Base Rate then applicable to the Eurodollar Loans of the other Lenders in the same Eurodollar Tranche (or, until the expiration of the then-current Interest Period, such other rate as shall be agreed upon between the Borrower and the relevant Lender).

2.2 Procedure for Borrowing. In order to effect a borrowing hereunder, the Borrower shall give the Administrative Agent irrevocable notice (which notice must be received by the Administrative Agent prior to 12:00 Noon., New York City time, (a) three Business Days prior to the requested Borrowing Date, in the case of Eurodollar Loans, or (b) one Business Day prior to the requested Borrowing Date, in the case of ABR Loans), specifying (i) the Facility under which such borrowing is to be made, (ii) the amount and Type of Loans to be borrowed, (iii) the requested Borrowing Date and (iv) in the case of Eurodollar Loans, the respective amounts of each such Type of Loan and the respective lengths of the initial Interest Period therefor. Any Loans made on the Closing Date shall initially be ABR Loans. Each borrowing shall be in an aggregate amount equal to (x) in the case of ABR Loans, $5,000,000 or a whole multiple of $1,000,000 in excess thereof (or, if the then aggregate Available Revolving Commitments are less than $5,000,000, such lesser amount) and (y) in the case of Eurodollar Loans, $10,000,000 or a whole multiple of $1,000,000 in excess thereof; provided, that the Swingline Lender may request, on behalf of the Borrower, borrowings under the Revolving Commitments that are ABR Loans in other amounts pursuant to Section 2.5. Upon receipt of any such notice from the Borrower, the Administrative Agent shall promptly notify each relevant Lender thereof. Each relevant Lender will make the amount of its pro rata share of each borrowing available to the Administrative Agent for the account of the Borrower at the Funding Office prior to 12:00 Noon, New York City time, on the Borrowing Date requested by the Borrower in funds immediately available to the Administrative Agent. Such borrowing will then be made available to the Borrower by the Administrative Agent crediting the account of the Borrower on the books of such office with the aggregate of the amounts made available to the Administrative Agent by the relevant Lenders and in like funds as received by the Administrative Agent.

2.3 Repayment of Loans; Early Maturity. (a) The Tranche A Term Loans of each Tranche A Term Lender shall mature in 18 consecutive quarterly installments, commencing on June 30, 2003, each of which shall be in an amount equal to such Lender's Tranche A Term Percentage multiplied by the percentage of the Tranche A Aggregate Funded Amount set forth below opposite such installment:

Date	Percentage
June 30, 2003	1.25%
September 30, 2003	1.25%
December 31, 2003	1.25%
March 31, 2004	1.25%
June 30, 2004	4.375%
September 30, 2004	4.375%
December 31, 2004	4.375%
March 31, 2005	4.375%
June 30, 2005	5.625%

September 30, 2005	5.625%
December 31, 2005	5.625%
March 31, 2006	5.625%
June 30, 2006	7.50%
September 30, 2006	7.50%
December 31, 2006	7.50%
March 31, 2007	7.50%
June 30, 2007	12.50%
September 15, 2007	12.50%

(b) The Tranche B Term Loans of each Tranche B Term Lender shall mature in 20 consecutive quarterly installments (each due on the last day of each calendar quarter, except for the last such installment), commencing on June 30, 2003, each of which shall be in an amount equal to such Lender's Tranche B Term Percentage multiplied by (i) in the case of the first 19 such installments, 0.25% of the Tranche B Aggregate Funded Amount and (ii) in the case of the last such installment (which shall be due on March 15, 2008), 95.25% of the Tranche B Aggregate Funded Amount.

(c) The Incremental Term Loans of each Incremental Term Lender shall mature in consecutive installments (which shall be no more frequent than quarterly) as specified in the Increased Facility Activation Notice pursuant to which such Incremental Term Loans were made, provided that the Incremental Term Loans shall have (i) a longer weighted average life than the Tranche A Term Facility, the Tranche B Term Facility and the Revolving Facility (taken as a whole) and (ii) a final maturity no earlier than the date that is six months after the final maturity of the Tranche B Term Loans.

(d) The Total Revolving Commitments shall be permanently reduced on each of the dates set forth below by an aggregate amount equal to the percentage of the Revolving Aggregate Committed Amount set forth opposite such date:

Installment	Percentage
June 30, 2003	1.25%
September 30, 2003	1.25%
December 31, 2003	1.25%
March 31, 2004	1.25%
June 30, 2004	4.375%
September 30, 2004	4.375%
December 31, 2004	4.375%
March 31, 2005	4.375%
June 30, 2005	5.625%
September 30, 2005	5.625%
December 31, 2005	5.625%
March 31, 2006	5.625%
June 30, 2006	7.50%
September 30, 2006	7.50%
December 31, 2006	7.50%
March 31, 2007	7.50%
June 30, 2007	12.50%
September 15, 2007	12.50%

(e) Any reduction or termination of the Revolving Commitments pursuant to this Section 2.3 shall be accompanied by prepayment of the Revolving Loans and/or Swingline Loans to the extent that the Total Revolving Extensions of Credit exceed the amount of the Total Revolving Commitments after giving effect thereto, provided that if the aggregate principal amount of Revolving Loans and Swingline Loans then outstanding is less than the amount of such excess (because L/C Obligations constitute a portion thereof), the Borrower shall, to the extent of the balance of such excess, replace outstanding Letters of Credit and/or deposit an amount in cash in a cash collateral account established with the Administrative Agent for the benefit of the Lenders on terms and conditions satisfactory to the Administrative Agent. The application of any prepayment pursuant to this paragraph shall be made, first, to ABR Loans and, second, to Eurodollar Loans. Each prepayment of the Loans under this paragraph (other than ABR Loans and Swingline Loans) shall be accompanied by accrued interest to the date of such prepayment on the amount prepaid.

(f) Notwithstanding anything to the contrary in this Agreement, all outstanding Loans shall be repaid and all outstanding Commitments shall be terminated on the date that is six months prior to the date of any scheduled maturity or redemption of Indebtedness or preferred stock of Holdings. For avoidance of doubt, if any Indebtedness or preferred stock of Holdings is refinanced or otherwise extended such that it becomes scheduled to mature or be redeemed on a later date, such Indebtedness or preferred stock will be considered thereafter to be scheduled to mature or be redeemed on such later date.

2.4 Swingline Commitment. (a) Subject to the terms and conditions hereof, the Swingline Lender agrees to make a portion of the credit otherwise available to the Borrower under the Revolving Commitments from time to time during the Revolving Commitment Period by making swingline loans ("Swingline Loans") to the Borrower; provided that (i) the aggregate principal amount of Swingline Loans outstanding at any time shall not exceed the Swingline Commitment then in effect (notwithstanding that the Swingline Loans outstanding at any time, when aggregated with the Swingline Lender's other outstanding Revolving Loans hereunder, may exceed the Swingline Commitment then in effect) and (ii) the Borrower shall not request, and the Swingline Lender shall not make, any Swingline Loan if, after giving effect to the making of such Swingline Loan, the aggregate amount of the Available Revolving Commitments would be less than zero. During the Revolving Commitment Period, the Borrower may use the Swingline Commitment by borrowing, repaying and reborrowing, all in accordance with the terms and conditions hereof. Swingline Loans shall be ABR Loans only.

(b) The Borrower shall repay all outstanding Swingline Loans on the Revolving Termination Date.

2.5 Procedure for Swingline Borrowing; Refunding of Swingline Loans. (a) Whenever the Borrower desires that the Swingline Lender make Swingline Loans it shall give the Swingline Lender irrevocable telephonic notice confirmed promptly in writing (which telephonic notice must be received by the Swingline Lender not later than 2:00 P.M., New York City time, on the proposed Borrowing Date), specifying (i) the amount to be borrowed and (ii) the requested Borrowing Date (which shall be a Business Day during the Revolving Commitment Period). Each borrowing under the Swingline Commitment shall be in an amount equal to $1,000,000 or a whole multiple of $500,000 in excess thereof. Not later than 3:00 P.M., New York City time, on the Borrowing Date specified in a notice in respect of Swingline Loans, the Swingline Lender shall make available to the Administrative Agent at the Funding Office an amount in immediately available funds equal to the amount of the Swingline Loan to be made by

the Swingline Lender. The Administrative Agent shall make the proceeds of such Swingline Loan available to the Borrower on such Borrowing Date by depositing such proceeds in the account of the Borrower with the Administrative Agent on such Borrowing Date in immediately available funds.

(b) The Swingline Lender, at any time and from time to time in its sole and absolute discretion may, on behalf of the Borrower (which hereby irrevocably directs the Swingline Lender to act on its behalf), on one Business Day's notice given by the Swingline Lender no later than 12:00 Noon, New York City time, request each Revolving Lender to make, and each Revolving Lender hereby agrees to make, a Revolving Loan, in an amount equal to such Revolving Lender's Revolving Percentage of the aggregate amount of the Swingline Loans (the "Refunded Swingline Loans") outstanding on the date of such notice, to repay the Swingline Lender. Each Revolving Lender shall make the amount of such Revolving Loan available to the Administrative Agent at the Funding Office in immediately available funds, not later than 10:00 A.M., New York City time, one Business Day after the date of such notice. The proceeds of such Revolving Loans shall be immediately made available by the Administrative Agent to the Swingline Lender for application by the Swingline Lender to the repayment of the Refunded Swingline Loans. The Borrower irrevocably authorizes the Swingline Lender to charge the Borrower's accounts with the Administrative Agent (up to the amount available in each such account) in order to immediately pay the amount of such Refunded Swingline Loans to the extent amounts received from the Revolving Lenders are not sufficient to repay in full such Refunded Swingline Loans.

(c) If prior to the time a Revolving Loan would have otherwise been made pursuant to Section 2.5(b), one of the events described in Section 8(f) shall have occurred and be continuing with respect to the Borrower or if for any other reason, as determined by the Swingline Lender in its sole discretion, Revolving Loans may not be made as contemplated by Section 2.5(b), each Revolving Lender shall, on the date such Revolving Loan was to have been made pursuant to the notice referred to in Section 2.5(b) (the "Refunding Date"), purchase for cash an undivided participating interest in the then outstanding Swingline Loans by paying to the Swingline Lender an amount (the "Swingline Participation Amount") equal to (i) such Revolving Lender's Revolving Percentage times (ii) the sum of the aggregate principal amount of Swingline Loans then outstanding that were to have been repaid with such Revolving Loans.

(d) Whenever, at any time after the Swingline Lender has received from any Revolving Lender such Lender's Swingline Participation Amount, the Swingline Lender receives any payment on account of the Swingline Loans, the Swingline Lender will distribute to such Lender its Swingline Participation Amount (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender's participating interest was outstanding and funded and, in the case of principal and interest payments, to reflect such Lender's pro rata portion of such payment if such payment is not sufficient to pay the principal of and interest on all Swingline Loans then due); provided, however, that in the event that such payment received by the Swingline Lender is required to be returned, such Revolving Lender will return to the Swingline Lender any portion thereof previously distributed to it by the Swingline Lender.

(e) Each Revolving Lender's obligation to make the Loans referred to in Section 2.5(b) and to purchase participating interests pursuant to Section 2.5(c) shall be absolute and unconditional and shall not be affected by any circumstance, including (i) any setoff, counterclaim, recoupment, defense or other right that such Revolving Lender or the Borrower may have against the Swingline Lender, the Borrower or any other Person for any reason whatsoever; (ii) the occurrence or continuance of a Default

or an Event of Default or the failure to satisfy any of the other conditions specified in Section 5; (iii) any adverse change in the condition (financial or otherwise) of the Borrower; (iv) any breach of this Agreement or any other Loan Document by the Borrower, any other Loan Party or any other Revolving Lender; or (v) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing.

2.6 Commitment Fees, etc. (a) The Borrower agrees to pay to the Administrative Agent for the account of each Revolving Lender a nonrefundable commitment fee for the period from and including the Closing Date to the last day of the Revolving Commitment Period, computed at the Commitment Fee Rate on the average daily amount of the Available Revolving Commitment of such Lender during the period for which payment is made, payable quarterly in arrears on the last day of each March, June, September and December and on the Revolving Termination Date, commencing on the first of such dates to occur after the date hereof.

(b) The Borrower agrees to pay to the Administrative Agent for the account of each Tranche A Term Lender a nonrefundable commitment fee for the period from and including the Closing Date to the date on which the Tranche A Term Commitments have been terminated, computed at the Commitment Fee Rate on the average daily amount of the Tranche A Term Commitment of such Lender during the period for which payment is made, payable quarterly in arrears on the last day of each March, June, September and December and on the date on which the Tranche A Term Commitments have been fully utilized or terminated, as the case may be, commencing on the first of such dates to occur after the date hereof.

(c) The Borrower agrees to pay to the Agents the fees in the amounts and on the dates previously agreed to in writing by the Borrower and the Agents.

2.7 Termination or Reduction of Commitments. (a) The Borrower shall have the right, upon not less than three Business Days' notice to the Administrative Agent, to terminate the Revolving Commitments or, from time to time, to reduce the amount of the Revolving Commitments; provided that no such termination or reduction of Revolving Commitments shall be permitted if, after giving effect thereto and to any prepayments of the Revolving Loans and Swingline Loans made on the effective date thereof, the Total Revolving Extensions of Credit would exceed the Total Revolving Commitments. Any such reduction shall be in an amount equal to $10,000,000, or a whole multiple of $1,000,000 in excess thereof, shall reduce permanently the Revolving Commitments then in effect.

(b) The Borrower shall have the right, upon not less than three Business Days' notice to the Administrative Agent, to terminate the Tranche A Term Commitment or, from time to time, to reduce the amount of the Tranche A Term Commitments then in effect. Any such reduction shall be in an amount equal to $10,000,000, or a whole multiple of $1,000,000 in excess thereof, shall reduce permanently the Tranche A Term Commitments then in effect and shall be applied pro rata to the scheduled reductions thereof.

2.8 Optional Prepayments. The Borrower may at any time and from time to time prepay the Loans, in whole or in part, without premium or penalty, upon irrevocable notice delivered to the Administrative Agent at least three Business Days prior thereto in the case of Eurodollar Loans and at least one Business Day prior thereto in the case of ABR Loans, which notice shall specify the date and amount of prepayment and whether the prepayment is of Eurodollar Loans or ABR Loans; provided, that

if a Eurodollar Loan is prepaid on any day other than the last day of the Interest Period applicable thereto, the Borrower shall also pay any amounts owing pursuant to Section 2.18. Upon receipt of any such notice the Administrative Agent shall promptly notify each relevant Lender thereof. If any such notice is given, the amount specified in such notice shall be due and payable on the date specified therein, together with (except in the case of Revolving Loans that are ABR Loans and Swingline Loans) accrued interest to such date on the amount prepaid. Partial prepayments of Term Loans and Revolving Loans shall be in an aggregate principal amount of $5,000,000 or a whole multiple of $1,000,000 in excess thereof. Partial prepayments of Swingline Loans shall be in an aggregate principal amount of $1,000,000 or a whole multiple of $500,000 in excess thereof.

2.9 Mandatory Prepayments and Commitment Reductions. (a) If any Indebtedness shall be incurred by the Borrower or any of its Subsidiaries (excluding any Indebtedness incurred in accordance with Section 7.2), an amount equal to 100% of the Net Cash Proceeds thereof shall be applied on the date of such incurrence toward the prepayment of the Term Loans and the reduction of the Tranche A Term Commitments and the Revolving Commitments as set forth in Section 2.9(d).

(b) If on any date the Borrower or any of its Subsidiaries shall receive Net Cash Proceeds from any Asset Sale or Recovery Event then, unless a Reinvestment Notice shall be delivered in respect thereof, such Net Cash Proceeds shall be applied on such date toward the prepayment of the Term Loans and the reduction of the Tranche A Term Commitments and the Revolving Commitments as set forth in Section 2.9(d); provided, that, notwithstanding the foregoing, (i) the aggregate Net Cash Proceeds of Asset Sales and Recovery Events that may be excluded from the foregoing requirement pursuant to a Reinvestment Notice shall not exceed $20,000,000 in any fiscal year of the Borrower and (ii) on each Reinvestment Prepayment Date, an amount equal to the Reinvestment Prepayment Amount with respect to the relevant Reinvestment Event shall be applied toward the prepayment of the Term Loans and the reduction of the Tranche A Term Commitments and the Revolving Commitments as set forth in Section 2.9(d).

(c) If, for any fiscal year of the Borrower commencing with the fiscal year ending December 31, 2003, there shall be Excess Cash Flow, the Borrower shall, on the relevant Excess Cash Flow Application Date, apply 50% of such Excess Cash Flow toward the prepayment of the Term Loans and the reduction of the Tranche A Term Commitments and the Revolving Commitments as set forth in Section 2.9(d). Each such prepayment and commitment reduction shall be made on a date (an "Excess Cash Flow Application Date") no later than five days after the earlier of (i) the date on which the financial statements of the Borrower referred to in Section 6.1(a), for the fiscal year with respect to which such prepayment is made, are required to be delivered to the Lenders and (ii) the date such financial statements are actually delivered.

(d) Amounts to be applied in connection with prepayments and Commitment reductions made pursuant to Section 2.9 shall be applied, first, to prepay the Term Loans, second, to reduce permanently the then unused Tranche A Term Commitments and, third, to reduce permanently the Revolving Commitments. Any such reduction of the Revolving Commitments shall be accompanied by prepayment of the Revolving Loans and/or Swingline Loans to the extent, if any, that the Total Revolving Extensions of Credit exceed the amount of the Total Revolving Commitments as so reduced, provided that if the aggregate principal amount of Revolving Loans and Swingline Loans then outstanding is less than the amount of such excess (because L/C Obligations constitute a portion thereof), the Borrower shall, to the extent of the balance of such excess, replace outstanding Letters of Credit and/or deposit an amount

in cash in a cash collateral account established with the Administrative Agent for the benefit of the Lenders on terms and conditions satisfactory to the Administrative Agent. The application of any prepayment pursuant to Section 2.9 shall be made, first, to ABR Loans and, second, to Eurodollar Loans. Each prepayment of the Loans under Section 2.9 (except in the case of Revolving Loans that are ABR Loans and Swingline Loans) shall be accompanied by accrued interest to the date of such prepayment on the amount prepaid.

2.10 Conversion and Continuation Options. (a) The Borrower may elect from time to time to convert Eurodollar Loans to ABR Loans by giving the Administrative Agent at least two Business Days' prior irrevocable notice of such election, provided that any such conversion of Eurodollar Loans may only be made on the last day of an Interest Period with respect thereto. The Borrower may elect from time to time to convert ABR Loans to Eurodollar Loans by giving the Administrative Agent at least three Business Days' prior irrevocable notice of such election (which notice shall specify the length of the initial Interest Period therefor), provided that no ABR Loan under a particular Facility may be converted into a Eurodollar Loan when any Event of Default has occurred and is continuing and the Administrative Agent or the Majority Facility Lenders in respect of such Facility have determined in its or their sole discretion not to permit such conversions. Upon receipt of any such notice the Administrative Agent shall promptly notify each relevant Lender thereof.

(b) Any Eurodollar Loan may be continued as such upon the expiration of the then current Interest Period with respect thereto by the Borrower giving irrevocable notice to the Administrative Agent, in accordance with the applicable provisions of the term "Interest Period" set forth in Section 1.1, of the length of the next Interest Period to be applicable to such Loans, provided that no Eurodollar Loan under a particular Facility may be continued as such when any Event of Default has occurred and is continuing and the Administrative Agent has or the Majority Facility Lenders in respect of such Facility have determined in its or their sole discretion not to permit such continuations, and provided, further, that if the Borrower shall fail to give any required notice as described above in this paragraph or if such continuation is not permitted pursuant to the preceding proviso each such Loan shall be automatically converted to a Eurodollar Loan with an Interest Period of one month on the last day of such then expiring Interest Period. Upon receipt of any such notice the Administrative Agent shall promptly notify each relevant Lender thereof.

2.11 Limitations on Eurodollar Tranches. Notwithstanding anything to the contrary in this Agreement, all borrowings, conversions and continuations of Eurodollar Loans hereunder and all selections of Interest Periods hereunder shall be in such amounts and be made pursuant to such elections so that, (a) after giving effect thereto, the aggregate principal amount of the Eurodollar Loans comprising each Eurodollar Tranche shall be equal to $10,000,000 or a whole multiple of $1,000,000 in excess thereof and (b) no more than twenty Eurodollar Tranches shall be outstanding at any one time.

2.12 Interest Rates and Payment Dates. (a) Each Eurodollar Loan shall bear interest for each day during each Interest Period with respect thereto at a rate per annum equal to the Eurodollar Rate determined for such day plus the Applicable Margin.

(b) Each ABR Loan shall bear interest at a rate per annum equal to the ABR plus the Applicable Margin.

(c) (i) If all or a portion of the principal amount of any Loan or Reimbursement Obligation shall not be paid when due (whether at the stated maturity, by acceleration or otherwise), such overdue amount shall bear interest at a rate per annum equal to (x) in the case of the Loans, the rate that would otherwise be applicable thereto pursuant to the foregoing provisions of this Section plus 2% or (y) in the case of Reimbursement Obligations, the rate applicable to ABR Loans under the Revolving Facility plus 2%, and (ii) if all or a portion of any interest payable on any Loan or Reimbursement Obligation or any commitment fee or other amount payable hereunder shall not be paid when due (whether at the stated maturity, by acceleration or otherwise), such overdue amount shall bear interest at a rate per annum equal to the rate then applicable to ABR Loans under the relevant Facility plus 2% (or, in the case of any such other amounts that do not relate to a particular Facility, the rate then applicable to ABR Loans under the Revolving Facility plus 2%), in each case, with respect to clauses (i) and (ii) above, from the date of such non-payment until such amount is paid in full (as well after as before judgment).

(d) Interest shall be payable in arrears on each Interest Payment Date, provided that interest accruing pursuant to paragraph (c) of this Section shall be payable from time to time on demand.

2.13 Computation of Interest and Fees. (a) Interest and fees payable pursuant hereto shall be calculated on the basis of a 360-day year for the actual days elapsed, except that, with respect to ABR Loans the rate of interest on which is calculated on the basis of the Prime Rate, the interest thereon shall be calculated on the basis of a 365- (or 366-, as the case may be) day year for the actual days elapsed. The Administrative Agent shall as soon as practicable notify the Borrower and the relevant Lenders of each determination of a Eurodollar Rate. Any change in the interest rate on a Loan resulting from a change in the ABR or the Eurocurrency Reserve Requirements shall become effective as of the opening of business on the day on which such change becomes effective. The Administrative Agent shall as soon as practicable notify the Borrower and the relevant Lenders of the effective date and the amount of each such change in interest rate.

(b) Each determination of an interest rate by the Administrative Agent pursuant to any provision of this Agreement shall be conclusive and binding on the Borrower and the Lenders in the absence of manifest error. The Administrative Agent shall, at the request of the Borrower, deliver to the Borrower a statement showing the quotations used by the Administrative Agent in determining any interest rate pursuant to Section 2.12(a).

2.14 Inability to Determine Interest Rate. If prior to the first day of any Interest Period:

(a) the Administrative Agent shall have determined (which determination shall be conclusive and binding upon the Borrower) that, by reason of circumstances affecting the relevant market, adequate and reasonable means do not exist for ascertaining the Eurodollar Rate for such Interest Period, or

(b) the Administrative Agent shall have received notice from the Majority Facility Lenders in respect of the relevant Facility that the Eurodollar Rate determined or to be determined for such Interest Period will not adequately and fairly reflect the cost to such Lenders (as conclusively certified by such Lenders) of making or maintaining their affected Loans during such Interest Period,

the Administrative Agent shall give telecopy or telephonic notice thereof to the Borrower and the relevant Lenders as soon as practicable thereafter. If such notice is given (x) any Eurodollar Loans under the relevant Facility requested to be made on the first day of such Interest Period shall be made as ABR Loans, (y) any Loans under the relevant Facility that were to have been converted on the first day of such Interest Period to Eurodollar Loans shall be continued as ABR Loans and (z) any outstanding Eurodollar Loans under the relevant Facility shall be converted, on the last day of the then-current Interest Period, to ABR Loans. Until such notice has been withdrawn by the Administrative Agent, no further Eurodollar Loans under the relevant Facility shall be made or continued as such, nor shall the Borrower have the right to convert Loans under the relevant Facility to Eurodollar Loans.

2.15 Pro Rata Treatment and Payments. (a) Except in the case of the Incremental Term Facility, each borrowing by the Borrower from the Lenders hereunder, each payment by the Borrower on account of any commitment fee and any reduction of the Commitments of the Lenders shall be made pro rata according to the respective Tranche A Term Commitments, Tranche B Term Commitments or Revolving Commitments, as the case may be, of the relevant Lenders.

(b) Each payment (including each prepayment) by the Borrower on account of principal of and interest on the Term Loans shall be made pro rata according to the respective outstanding principal amounts of the Term Loans then held by the Term Lenders (except as otherwise provided in Section 2.15(d)). The amount of each principal prepayment of the Term Loans shall be applied to reduce the then remaining installments of the Tranche A Term Loans, Tranche B Term Loans and Incremental Term Loans, as the case may be, pro rata based upon the then remaining principal amount thereof; provided that optional prepayments of the Term Loans made pursuant to Section 2.8 may, at the Borrower's option, first be applied to the next two originally scheduled installments of the Tranche A Term Loans, Tranche B Term Loans and Incremental Term Loans, as the case may be, until such installments have been paid in full. Amounts prepaid on account of the Term Loans may not be reborrowed.

(c) Each payment (including each prepayment) by the Borrower on account of principal of and interest on the Revolving Loans shall be made pro rata according to the respective outstanding principal amounts of the Revolving Loans then held by the Revolving Lenders.

(d) Notwithstanding anything to the contrary in this Agreement, with respect to the amount of any mandatory prepayment of the Term Loans pursuant to Section 2.9, that in any such case is allocated to Tranche B Term Loans or Incremental Term Loans (such amounts, the "Tranche B Prepayment Amount" and the "Incremental Prepayment Amount", respectively), at any time when Tranche A Term Loans remain outstanding, the Borrower will, in lieu of applying such amount to the prepayment of Tranche B Term Loans and Incremental Term Loans, respectively, on the date specified in Section 2.9 for such prepayment, give the Administrative Agent telephonic notice (promptly confirmed in writing) requesting that the Administrative Agent prepare and provide to each Tranche B Lender and Incremental Term Lender a notice (each, a "Prepayment Option Notice") as described below. As promptly as practicable after receiving such notice from the Borrower, the Administrative Agent will send to each Tranche B Lender and Incremental Term Lender a Prepayment Option Notice, which shall be in the form of Exhibit G, and shall include an offer by the Borrower to prepay on the date (each a "Prepayment Date") that is 10 Business Days after the date of the Prepayment Option Notice, the relevant Term Loans of such Lender by an amount equal to the portion of the Prepayment Amount indicated in such Lender's Prepayment Option Notice as being applicable to such Lender's Tranche B Term Loans or Incremental Term Loans, as the case may be. On the Prepayment Date, (i) the Borrower

shall pay to the relevant Tranche B Lenders and Incremental Term Lenders the aggregate amount necessary to prepay that portion of the outstanding relevant Term Loans in respect of which such Lenders have accepted prepayment as described in the Prepayment Option Notice and (ii) the Borrower shall pay to the Tranche A Lenders an amount equal to the portion of the Tranche B Prepayment Amount and the Incremental Prepayment Amount not accepted by the relevant Lenders, and such amount shall be applied to the prepayment of the Tranche A Term Loans.

(e) All payments (including prepayments) to be made by the Borrower hereunder, whether on account of principal, interest, fees or otherwise, shall be made without setoff or counterclaim and shall be made prior to 12:00 Noon, New York City time, on the due date thereof to the Administrative Agent, for the account of the Lenders, at the Funding Office, in Dollars and in immediately available funds. The Administrative Agent shall distribute such payments to the Lenders promptly upon receipt in like funds as received. If any payment hereunder (other than payments on the Eurodollar Loans) becomes due and payable on a day other than a Business Day, such payment shall be extended to the next succeeding Business Day. If any payment on a Eurodollar Loan becomes due and payable on a day other than a Business Day, the maturity thereof shall be extended to the next succeeding Business Day unless the result of such extension would be to extend such payment into another calendar month, in which event such payment shall be made on the immediately preceding Business Day. In the case of any extension of any payment of principal pursuant to the preceding two sentences, interest thereon shall be payable at the then applicable rate during such extension.

(f) Unless the Administrative Agent shall have been notified in writing by any Lender prior to a borrowing that such Lender will not make the amount that would constitute its share of such borrowing available to the Administrative Agent, the Administrative Agent may assume that such Lender is making such amount available to the Administrative Agent, and the Administrative Agent may, in reliance upon such assumption, make available to the Borrower a corresponding amount. If such amount is not made available to the Administrative Agent by the required time on the Borrowing Date therefor, such Lender shall pay to the Administrative Agent, on demand, such amount with interest thereon at a rate equal to the daily average Federal Funds Effective Rate for the period until such Lender makes such amount immediately available to the Administrative Agent. A certificate of the Administrative Agent submitted to any Lender with respect to any amounts owing under this paragraph shall be conclusive in the absence of manifest error. If such Lender's share of such borrowing is not made available to the Administrative Agent by such Lender within three Business Days of such Borrowing Date, the Administrative Agent shall also be entitled to recover such amount with interest thereon at the rate per annum applicable to ABR Loans under the relevant Facility, on demand, from the Borrower.

(g) Unless the Administrative Agent shall have been notified in writing by the Borrower prior to the date of any payment being made hereunder that the Borrower will not make such payment to the Administrative Agent, the Administrative Agent may assume that the Borrower is making such payment, and the Administrative Agent may, but shall not be required to, in reliance upon such assumption, make available to the Lenders their respective pro rata shares of a corresponding amount. If such payment is not made to the Administrative Agent by the Borrower within three Business Days of such required date, the Administrative Agent shall be entitled to recover, on demand, from each Lender to which any amount which was made available pursuant to the preceding sentence, such amount with interest thereon at the rate per annum equal to the daily average Federal Funds Effective Rate. Nothing herein shall be deemed to limit the rights of the Administrative Agent or any Lender against the Borrower.

2.16 Requirements of Law. (a) If the adoption of or any change in any Requirement of Law or in the interpretation or application thereof or compliance by any Lender with any request or directive (whether or not having the force of law) from any central bank or other Governmental Authority made subsequent to the date hereof:

(i) shall subject any Lender to any tax of any kind whatsoever with respect to this Agreement, any Letter of Credit, any Application or any Eurodollar Loan made by it, or change the basis of taxation of payments to such Lender in respect thereof (except for Non-Excluded Taxes covered by Section 2.17 and changes in the rate of tax on the overall net income of such Lender);

(ii) shall impose, modify or hold applicable any reserve, special deposit, compulsory loan or similar requirement against assets held by, deposits or other liabilities in or for the account of, advances, loans or other extensions of credit by, or any other acquisition of funds by, any office of such Lender that is not otherwise included in the determination of the Eurodollar Rate hereunder; or

(iii) shall impose on such Lender any other condition;

and the result of any of the foregoing is to increase the cost to such Lender, by an amount that such Lender deems to be material, of making, converting into, continuing or maintaining Eurodollar Loans or issuing or participating in Letters of Credit, or to reduce any amount receivable hereunder in respect thereof, then, in any such case, the Borrower shall promptly pay such Lender, upon its demand, any additional amounts necessary to compensate such Lender for such increased cost or reduced amount receivable. If any Lender becomes entitled to claim any additional amounts pursuant to this paragraph, it shall promptly notify the Borrower (with a copy to the Administrative Agent) of the event by reason of which it has become so entitled.

(b) If any Lender shall have determined that the adoption of or any change in any Requirement of Law regarding capital adequacy or in the interpretation or application thereof or compliance by such Lender or any corporation controlling such Lender with any request or directive regarding capital adequacy (whether or not having the force of law) from any Governmental Authority made subsequent to the date hereof shall have the effect of reducing the rate of return on such Lender's or such corporation's capital as a consequence of its obligations hereunder or under or in respect of any Letter of Credit to a level below that which such Lender or such corporation could have achieved but for such adoption, change or compliance (taking into consideration such Lender's or such corporation's policies with respect to capital adequacy) by an amount deemed by such Lender to be material, then from time to time, after submission by such Lender to the Borrower (with a copy to the Administrative Agent) of a written request therefor, the Borrower shall pay to such Lender such additional amount or amounts as will compensate such Lender for such reduction; provided that the Borrower shall not be required to compensate a Lender pursuant to this paragraph for any amounts incurred more than six months prior to the date that such Lender notifies the Borrower of such Lender's intention to claim compensation therefor; and provided further that, if the circumstances giving rise to such claim have a retroactive effect, then such six-month period shall be extended to include the period of such retroactive effect.

(c) A certificate, setting forth a reasonably detailed explanation as to the reason for any additional amounts payable pursuant to this Section, submitted by any Lender to the Borrower (with a

copy to the Administrative Agent) shall be conclusive in the absence of manifest error. The obligations of the Borrower pursuant to this Section shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

2.17 Taxes. (a) All payments made by the Borrower under this Agreement shall be made free and clear of, and without deduction or withholding for or on account of, any present or future income, stamp or other taxes, levies, imposts, duties, charges, fees, deductions or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by any Governmental Authority, excluding net income taxes and franchise taxes (imposed in lieu of net income taxes) imposed on the Administrative Agent or any Lender as a result of a present or former connection between the Administrative Agent or such Lender and the jurisdiction of the Governmental Authority imposing such tax or any political subdivision or taxing authority thereof or therein (other than any such connection arising solely from the Administrative Agent or such Lender having executed, delivered or performed its obligations or received a payment under, or enforced, this Agreement or any other Loan Document). If any such non-excluded taxes, levies, imposts, duties, charges, fees, deductions or withholdings ("Non-Excluded Taxes") or Other Taxes are required to be withheld from any amounts payable to the Administrative Agent or any Lender hereunder, the amounts so payable to the Administrative Agent or such Lender shall be increased to the extent necessary to yield to the Administrative Agent or such Lender (after payment of all Non-Excluded Taxes and Other Taxes) interest or any such other amounts payable hereunder at the rates or in the amounts specified in this Agreement, provided, however, that the Borrower shall not be required to increase any such amounts payable to any Lender with respect to any Non-Excluded Taxes (i) that are attributable to such Lender's failure to comply with the requirements of paragraph (d) or (e) of this Section or (ii) that are United States withholding taxes imposed on amounts payable to such Lender at the time the Lender becomes a party to this Agreement (or designates a new lending office), except to the extent that such Lender's assignor (if any) was entitled, at the time of assignment, to receive additional amounts from the Borrower with respect to such Non-Excluded Taxes pursuant to this paragraph.

(b) In addition, the Borrower shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) Whenever any Non-Excluded Taxes or Other Taxes are payable by the Borrower, as promptly as possible thereafter the Borrower shall send to the Administrative Agent for its own account or for the account of the relevant Lender, as the case may be, a certified copy of an original official receipt received by the Borrower showing payment thereof. If the Borrower fails to pay any Non-Excluded Taxes or Other Taxes when due to the appropriate taxing authority or fails to remit to the Administrative Agent the required receipts or other required documentary evidence, the Borrower shall indemnify the Administrative Agent and the Lenders for any incremental taxes, interest or penalties that may become payable by the Administrative Agent or any Lender as a result of any such failure.

(d) Each Lender (or Transferee) that is not a "U.S. Person" as defined in Section 7701(a)(30) of the Code (a "Non-U.S. Lender") shall deliver to the Borrower and the Administrative Agent (or, in the case of a Participant, to the Lender from which the related participation shall have been purchased) two copies of either U.S. Internal Revenue Service Form W-8BEN or Form W-8ECI, or, in the case of a Non-U.S. Lender claiming exemption from U.S. federal withholding tax under Section 871(h) or 881(c) of the Code with respect to payments of "portfolio interest", a statement substantially in the form of Exhibit H and a Form W-8BEN, or any subsequent versions thereof or successors thereto, properly completed and duly executed by such Non-U.S. Lender claiming complete exemption from, or a

reduced rate of, U.S. federal withholding tax on all payments by the Borrower under this Agreement and the other Loan Documents. Such forms shall be delivered by each Non-U.S. Lender on or before the date it becomes a party to this Agreement or designates a new lending office (or, in the case of any Participant, on or before the date such Participant purchases the related participation). In addition, each Non-U.S. Lender shall deliver such forms promptly upon the obsolescence or invalidity of any form previously delivered by such Non-U.S. Lender. Each Non-U.S. Lender shall promptly notify the Borrower at any time it determines that it is no longer in a position to provide any previously delivered certificate to the Borrower (or any other form of certification adopted by the U.S. taxing authorities for such purpose). Notwithstanding any other provision of this paragraph, a Non-U.S. Lender shall not be required to deliver any form pursuant to this paragraph that such Non-U.S. Lender is not legally able to deliver.

(e) If the Administrative Agent or any Lender receives a refund in respect of any amounts paid by the Borrower pursuant to this Section 2.17, which refund in the sole judgment of such Administrative Agent or such Lender is allocable to such payment, it shall pay the amount of such refund to the Borrower, net of all out-of-pocket expenses of the Administrative Agent or such Lender, provided however, that the Borrower, upon the request of such Lender or the Administrative Agent, agrees to repay the amount paid over to the Borrower to the Administrative Agent or such Lender in the event such Administrative Agent or the Lender is required to repay such refund. Nothing contained herein shall interfere with the right of the Administrative Agent or any Lender to arrange its tax affairs in whatever manner it deems fit nor oblige the Administrative Agent or any Lender to apply for any refund or to disclose any information relating to its affairs or any computations in respect thereof.

(f) The agreements in this Section shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

2.18 Indemnity. The Borrower agrees to indemnify each Lender and to hold each Lender harmless from any loss or expense that such Lender sustains or incurs as a consequence of (a) default by the Borrower in making a borrowing of, conversion into or continuation of Eurodollar Loans after the Borrower has given a notice requesting the same in accordance with the provisions of this Agreement, (b) default by the Borrower in making any prepayment of or conversion from Eurodollar Loans after the Borrower has given a notice thereof in accordance with the provisions of this Agreement or (c) the making of a prepayment of Eurodollar Loans on a day that is not the last day of an Interest Period with respect thereto. Such indemnification may include an amount equal to the excess, if any, of (i) the amount of interest that would have accrued on the amount so prepaid, or not so borrowed, converted or continued, for the period from the date of such prepayment or of such failure to borrow, convert or continue to the last day of such Interest Period (or, in the case of a failure to borrow, convert or continue, the Interest Period that would have commenced on the date of such failure) in each case at the applicable rate of interest for such Loans provided for herein (excluding, however, the Applicable Margin included therein, if any) over (ii) the amount of interest (as reasonably determined by such Lender) that would have accrued to such Lender on such amount by placing such amount on deposit for a comparable period with leading banks in the interbank eurodollar market. A certificate as to any amounts payable pursuant to this Section submitted to the Borrower by any Lender shall be conclusive in the absence of manifest error. This covenant shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

2.19 Change of Lending Office. Each Lender agrees that, upon the occurrence of any event giving rise to the operation of Section 2.16 or 2.17(a) with respect to such Lender, it will, if requested by the Borrower, use reasonable efforts (subject to overall policy considerations of such Lender) to designate another lending office for any Loans affected by such event with the object of avoiding the consequences of such event; provided, that such designation is made on terms that, in the sole judgment of such Lender, cause such Lender and its lending office(s) to suffer no economic, legal or regulatory disadvantage, and provided, further, that nothing in this Section shall affect or postpone any of the obligations of the Borrower or the rights of any Lender pursuant to Section 2.16 or 2.17(a).

2.20 Replacement of Lenders. The Borrower shall be permitted to replace any Lender that (a) requests reimbursement for amounts owing pursuant to Section 2.16 or 2.17(a) or (b) defaults in its obligation to make Loans hereunder, with a replacement financial institution; provided that (i) such replacement does not conflict with any Requirement of Law, (ii) no Event of Default shall have occurred and be continuing at the time of such replacement, (iii) prior to any such replacement, such Lender shall have taken no action under Section 2.19 so as to eliminate the continued need for payment of amounts owing pursuant to Section 2.16 or 2.17(a), (iv) the replacement financial institution shall purchase, at par, all Loans and other amounts owing to such replaced Lender on or prior to the date of replacement, (v) the Borrower shall be liable to such replaced Lender under Section 2.18 if any Eurodollar Loan owing to such replaced Lender shall be purchased other than on the last day of the Interest Period relating thereto, (vi) the replacement financial institution, if not already a Lender, shall be reasonably satisfactory to the Administrative Agent, (vii) the replaced Lender shall be obligated to make such replacement in accordance with the provisions of Section 10.6 (provided that the Borrower shall be obligated to pay the registration and processing fee referred to therein), (viii) until such time as such replacement shall be consummated, the Borrower shall pay all additional amounts (if any) required pursuant to Section 2.16 or 2.17(a), as the case may be, and (ix) any such replacement shall not be deemed to be a waiver of any rights that the Borrower, the Administrative Agent or any other Lender shall have against the replaced Lender.

SECTION 3. LETTERS OF CREDIT

3.1 L/C Commitment. (a) Subject to the terms and conditions hereof, each Issuing Lender, in reliance on the agreements of the other Revolving Lenders set forth in Section 3.4(a), agrees to issue letters of credit ("Letters of Credit") for the account of the Borrower on any Business Day during the Revolving Commitment Period in such form as may be approved from time to time by such Issuing Lender; provided that no Issuing Lender shall have an obligation to issue any Letter of Credit if, after giving effect to such issuance, (i) the L/C Obligations would exceed the L/C Commitment or (ii) the aggregate amount of the Available Revolving Commitments would be less than zero. Each Letter of Credit shall (i) be denominated in Dollars, (ii) have a face amount of at least $100,000 (unless otherwise agreed by the relevant Issuing Lender) and (iii) expire no later than the earlier of (x) the first anniversary of its date of issuance and (y) the date that is five Business Days prior to the Revolving Termination Date, provided that any Letter of Credit with a one-year term may provide for the renewal thereof for additional one-year periods (which shall in no event extend beyond the date referred to in clause (y) above).

(b) No Issuing Lender shall at any time be obligated to issue any Letter of Credit hereunder if such issuance would conflict with, or cause such Issuing Lender or any L/C Participant to exceed any limits imposed by, any applicable Requirement of Law.

3.2 Procedure for Issuance of Letter of Credit. The Borrower may from time to time request that any Issuing Lender issue a Letter of Credit by delivering to such Issuing Lender at its address for notices specified herein an Application therefor, completed to the satisfaction of such Issuing Lender, and such other certificates, documents and other papers and information as such Issuing Lender may request. Upon receipt of any Application, the relevant Issuing Lender will process such Application and the certificates, documents and other papers and information delivered to it in connection therewith in accordance with its customary procedures and shall promptly issue the Letter of Credit requested thereby (but in no event shall such Issuing Lender be required to issue any Letter of Credit earlier than three Business Days after its receipt of the Application therefor and all such other certificates, documents and other papers and information relating thereto) by issuing the original of such Letter of Credit to the beneficiary thereof or as otherwise may be agreed to by such Issuing Lender and the Borrower. The relevant Issuing Lender shall furnish a copy of such Letter of Credit to the Borrower promptly following the issuance thereof. The relevant Issuing Lender shall promptly furnish to the Administrative Agent, which shall in turn promptly furnish to the Lenders, notice of the issuance of each Letter of Credit (including the amount thereof).

3.3 Fees and Other Charges. (a) The Borrower will pay a fee on all outstanding Letters of Credit at a per annum rate equal to the Applicable Margin then in effect with respect to Eurodollar Loans under the Revolving Facility, shared ratably among the Revolving Lenders and payable quarterly in arrears on each L/C Fee Payment Date after the issuance date. In addition, the Borrower shall pay to the relevant Issuing Lender for its own account a fronting fee of 0.25% per annum on the face amount of each Letter of Credit, payable quarterly in arrears on each L/C Fee Payment Date after the Issuance Date.

(b) In addition to the foregoing fees, the Borrower shall pay or reimburse the relevant Issuing Lender for such normal and customary costs and expenses as are incurred or charged by such Issuing Lender in issuing, negotiating, effecting payment under, amending or otherwise administering any Letter of Credit.

3.4 L/C Participations. (a) Each Issuing Lender irrevocably agrees to grant and hereby grants to each L/C Participant, and, to induce the Issuing Lenders to issue Letters of Credit hereunder, each L/C Participant irrevocably agrees to accept and purchase and hereby accepts and purchases from each Issuing Lender, on the terms and conditions set forth below, for such L/C Participant's own account and risk an undivided interest equal to such L/C Participant's Revolving Percentage in each Issuing Lender's obligations and rights under and in respect of each Letter of Credit issued by it hereunder and the amount of each draft paid by such Issuing Lender thereunder. Each L/C Participant unconditionally and irrevocably agrees with each Issuing Lender that, if a draft is paid under any Letter of Credit for which such Issuing Lender is not reimbursed in full by the Borrower in accordance with the terms of this Agreement, such L/C Participant shall pay to such Issuing Lender upon demand at such Issuing Lender's address for notices specified herein an amount equal to such L/C Participant's Revolving Percentage of the amount of such draft, or any part thereof, that is not so reimbursed.

(b) If any amount required to be paid by any L/C Participant to any Issuing Lender pursuant to Section 3.4(a) in respect of any unreimbursed portion of any payment made by such Issuing Lender under any Letter of Credit is paid to such Issuing Lender within three Business Days after the date such payment is due, such L/C Participant shall pay to such Issuing Lender on demand an amount equal to the product of (i) such amount, times (ii) the daily average Federal Funds Effective Rate during

the period from and including the date such payment is required to the date on which such payment is immediately available to such Issuing Lender, times (iii) a fraction the numerator of which is the number of days that elapse during such period and the denominator of which is 360. If any such amount required to be paid by any L/C Participant pursuant to Section 3.4(a) is not made available to the relevant Issuing Lender by such L/C Participant within three Business Days after the date such payment is due, such Issuing Lender shall be entitled to recover from such L/C Participant, on demand, such amount with interest thereon calculated from such due date at the rate per annum applicable to ABR Loans under the Revolving Facility. A certificate of the relevant Issuing Lender submitted to any L/C Participant with respect to any amounts owing under this Section shall be conclusive in the absence of manifest error.

(c) Whenever, at any time after the relevant Issuing Lender has made payment under any Letter of Credit and has received from any L/C Participant its pro rata share of such payment in accordance with Section 3.4(a), such Issuing Lender receives any payment related to such Letter of Credit (whether directly from the Borrower or otherwise, including proceeds of collateral applied thereto by such Issuing Lender), or any payment of interest on account thereof, such Issuing Lender will distribute to such L/C Participant its pro rata share thereof; provided, however, that in the event that any such payment received by such Issuing Lender shall be required to be returned by such Issuing Lender, such L/C Participant shall return to such Issuing Lender the portion thereof previously distributed by such Issuing Lender to it.

3.5 Reimbursement Obligation of the Borrower. The Borrower agrees to reimburse the relevant Issuing Lender on each date next succeeding the date on which such Issuing Lender notifies the Borrower of the date and amount of a draft presented under any Letter of Credit and paid by such Issuing Lender for the amount of (a) such draft so paid and (b) any taxes, fees, charges or other costs or expenses incurred by such Issuing Lender in connection with such payment. Each such payment shall be made to the relevant Issuing Lender at its address for notices specified herein in lawful money of the United States and in immediately available funds. Interest shall be payable on any and all amounts remaining unpaid by the Borrower under this Section from the date on which the relevant draft is paid or the relevant costs or expenses are incurred, as the case may be, until payment in full at the rate set forth in (i) until the second Business Day following such date, Section 2.12(b) and (ii) thereafter, Section 2.12(c).

3.6 Obligations Absolute. The Borrower's obligations under this Section 3 shall be absolute and unconditional under any and all circumstances and irrespective of any setoff, counterclaim or defense to payment that the Borrower may have or have had against any Issuing Lender, any beneficiary of a Letter of Credit or any other Person. The Borrower also agrees with each Issuing Lender that no Issuing Lender shall be responsible for, and the Borrower's Reimbursement Obligations under Section 3.5 shall not be affected by, among other things, the validity or genuineness of documents or of any endorsements thereon, even though such documents shall in fact prove to be invalid, fraudulent or forged, or any dispute between or among the Borrower and any beneficiary of any Letter of Credit or any other party to which such Letter of Credit may be transferred or any claims whatsoever of the Borrower against any beneficiary of such Letter of Credit or any such transferee. No Issuing Lender shall be liable for any error, omission, interruption or delay in transmission, dispatch or delivery of any message or advice, however transmitted, in connection with any Letter of Credit, except for errors or omissions found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of the relevant Issuing Lender. The Borrower agrees that any action taken or omitted by any Issuing Lender under or in connection with any Letter of Credit or the related

drafts or documents, if done in the absence of gross negligence or willful misconduct and in accordance with the standards of care specified in the Uniform Commercial Code of the State of New York, shall be binding on the Borrower and shall not result in any liability of any Issuing Lender to the Borrower.

3.7 Letter of Credit Payments. If any draft shall be presented for payment under any Letter of Credit, the relevant Issuing Lender shall promptly notify the Borrower of the date and amount thereof. The responsibility of each Issuing Lender to the Borrower in connection with any draft presented for payment under any Letter of Credit shall, in addition to any payment obligation expressly provided for in such Letter of Credit, be limited to determining that the documents (including each draft) delivered under such Letter of Credit in connection with such presentment are substantially in conformity with such Letter of Credit.

3.8 Applications. To the extent that any provision of any Application related to any Letter of Credit is inconsistent with the provisions of this Section 3, the provisions of this Section 3 shall apply.

SECTION 4. REPRESENTATIONS AND WARRANTIES

To induce the Administrative Agent and the Lenders to enter into this Agreement and to make the Loans and issue or participate in the Letters of Credit, Holdings and the Borrower hereby jointly and severally represent and warrant to the Administrative Agent and each Lender that:

4.1 Financial Condition. (a) Each of (i) the unaudited pro forma consolidated balance sheet of the Borrower and its Subsidiaries as at September 30, 1999 (including the notes thereto) and (ii) the unaudited pro forma consolidated balance sheet of the Loan Parties (as a group) as at September 30, 1999 (including the notes thereto) (the "Pro Forma Balance Sheets"), copies of which have heretofore been furnished to each Lender, has been prepared giving effect (as if such events had occurred on such date) to (i) the Loans to be made on the Closing Date and the use of proceeds thereof and (ii) the payment of fees and expenses in connection with the foregoing. Each of the Pro Forma Balance Sheets has been prepared based on the best information available to the Borrower as of the date of delivery thereof, and presents fairly on a pro forma basis the estimated financial position of (i) the Borrower and its Subsidiaries or (ii) the Loan Parties (as a group), as applicable, in each case as at September 30, 1999, assuming that the events specified in the preceding sentence had actually occurred at such date.

(b) The audited consolidated financial statements of Holdings and its Subsidiaries (including, for purposes of this Section 4.1(b), the Unrestricted Subsidiaries) as at December 31, 1998, and the related consolidated statements of income and of cash flows for the fiscal year ended on such date, reported on by and accompanied by an unqualified report from KPMG, LLP, present fairly the consolidated financial condition of Holdings and its Subsidiaries as at such date, and the consolidated results of its operations and its consolidated cash flows for the fiscal year then ended. The unaudited consolidated financial statements of Holdings and its Subsidiaries as at September 30, 1999, and the related unaudited consolidated statements of income and cash flows for the nine-month period ended on such date, present fairly the consolidated financial condition of Holdings and its Subsidiaries as at such date, and the consolidated results of its operations and its consolidated cash flows for the nine-month period then ended (subject to normal year-end audit adjustments). All such financial statements, including the related schedules and notes thereto, have been prepared in accordance with GAAP applied consistently throughout the periods involved (except as approved by the aforementioned firm of

accountants and disclosed therein). Holdings and its Subsidiaries do not have any material Guarantee Obligations, contingent liabilities and liabilities for taxes, or any long-term leases or unusual forward or long-term commitments, including any interest rate or foreign currency swap or exchange transaction or other obligation in respect of derivatives, that are not reflected in the most recent financial statements referred to in this paragraph. During the period from December 31, 1998 to and including the date hereof there has been no Disposition by Holdings or any of its Subsidiaries of any material part of its business or property.

(c) The audited consolidated financial statements of the Loan Parties (as a group) as at December 31, 1998, and the related consolidated statements of income and of cash flows for the fiscal year ended on such date, reported on by and accompanied by an unqualified report from KPMG, LLP, present fairly the consolidated financial condition of the Loan Parties (as a group) as at such date, and the consolidated results of its operations and its consolidated cash flows for the fiscal year then ended. The unaudited consolidated financial statements of the Loan Parties (as a group) as at September 30, 1999, and the related unaudited consolidated statements of income and cash flows for the nine-month period ended on such date, present fairly the consolidated financial condition of the Loan Parties (as a group) as at such date, and the consolidated results of its operations and its consolidated cash flows for the nine-month period then ended (subject to normal year-end audit adjustments). All such financial statements, including the related schedules and notes thereto, have been prepared in accordance with GAAP applied consistently throughout the periods involved (except as approved by the aforementioned firm of accountants and disclosed therein). The Loan Parties do not have any material Guarantee Obligations, contingent liabilities and liabilities for taxes, or any long-term leases or unusual forward or long-term commitments, including any interest rate or foreign currency swap or exchange transaction or other obligation in respect of derivatives, that are not reflected in the most recent financial statements referred to in this paragraph. During the period from December 31, 1998 to and including the date hereof there has been no Disposition by any of the Loan Parties of any material part of its business or property.

4.2 No Change. Since September 30, 1999, there has been no development or event that has had or could reasonably be expected to have a Material Adverse Effect.

4.3 Corporate Existence; Compliance with Law. Each of Holdings, the Borrower and their respective Subsidiaries (a) is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, (b) has the corporate power and authority, and the legal right, to own and operate its property, to lease the property it operates as lessee and to conduct the business in which it is currently engaged, (c) is duly qualified as a foreign corporation and in good standing under the laws of each jurisdiction where its ownership, lease or operation of property or the conduct of its business requires such qualification except to the extent that the failure to be so qualified and in good standing could not, in the aggregate, reasonably be expected to have a Material Adverse Effect and (d) is in compliance with all Requirements of Law except to the extent that the failure to comply therewith could not, in the aggregate, reasonably be expected to have a Material Adverse Effect.

4.4 Corporate Power; Authorization; Enforceable Obligations. Each Loan Party has the corporate power and authority, and the legal right, to make, deliver and perform the Loan Documents to which it is a party and, in the case of the Borrower, to obtain extensions of credit hereunder. Each Loan Party has taken all necessary corporate action to authorize the execution, delivery and performance of the Loan Documents to which it is a party and, in the case of the Borrower, to authorize the extensions of credit on the terms and conditions of this Agreement. No material consent or authorization of, filing with,

notice to or other act by or in respect of, any Governmental Authority or any other Person is required in connection with the extensions of credit hereunder or with the execution, delivery, performance, validity or enforceability of this Agreement or any of the Loan Documents, except (i) consents, authorizations, filings and notices described in Schedule 4.4, which consents, authorizations, filings and notices have been obtained or made and are in full force and effect and (ii) the filings referred to in Section 4.19. Each Loan Document has been duly executed and delivered on behalf of each Loan Party party thereto. This Agreement constitutes, and each other Loan Document upon execution will constitute, a legal, valid and binding obligation of each Loan Party party thereto, enforceable against each such Loan Party in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law).

4.5 No Legal Bar. The execution, delivery and performance of this Agreement and the other Loan Documents, the issuance of Letters of Credit, the borrowings hereunder and the use of the proceeds thereof will not violate any Requirement of Law or any Contractual Obligation of Holdings, the Borrower or any of their respective Subsidiaries and will not result in, or require, the creation or imposition of any Lien on any of their respective properties or revenues pursuant to any Requirement of Law or any such Contractual Obligation (other than the Liens created by the Guarantee and Collateral Agreement).

4.6 Litigation. No litigation, investigation or proceeding of or before any arbitrator or Governmental Authority is pending or, to the knowledge of Holdings or the Borrower, threatened by or against Holdings, the Borrower or any of their respective Subsidiaries or against any of their respective properties or revenues (a) with respect to any of the Loan Documents or any of the transactions contemplated hereby or thereby, or (b) that could reasonably be expected to have a Material Adverse Effect.

4.7 No Default. Neither Holdings, the Borrower nor any of their respective Subsidiaries is in default under or with respect to any of its Contractual Obligations in any respect that could reasonably be expected to have a Material Adverse Effect. No Default or Event of Default has occurred and is continuing.

4.8 Ownership of Property; Liens. Each of Holdings, the Borrower and their respective Subsidiaries has title in fee simple to, or a valid leasehold interest in, all its real property, and good title to, or a valid leasehold interest in, all its other property, and none of such property is subject to any Lien except as permitted by Section 7.3 and except for any immaterial defects in title.

4.9 Intellectual Property. Holdings, the Borrower and each of their respective Subsidiaries owns, or is licensed to use, all Intellectual Property necessary for the conduct of its business as currently conducted. No material claim has been asserted and is pending by any Person challenging or questioning the use of any Intellectual Property or the validity or effectiveness of any Intellectual Property, nor does Holdings or the Borrower know of any valid basis for any such claim. The use of Intellectual Property by Holdings, the Borrower and their respective Subsidiaries does not infringe on the rights of any Person in any material respect.

4.10 Taxes. Each of Holdings, the Borrower and each of their respective Subsidiaries has filed or caused to be filed all Federal, state and other material tax returns that are required to be filed and has paid all taxes shown to be due and payable on said returns or on any assessments made against it

or any of its property and all other taxes, fees or other charges imposed on it or any of its property by any Governmental Authority (other than any the amount or validity of which are currently being contested in good faith by appropriate proceedings and with respect to which reserves in conformity with GAAP have been provided on the books of Holdings, the Borrower or their respective Subsidiaries, as the case may be); no tax Lien has been filed, and, to the knowledge of Holdings and the Borrower, no claim is being asserted, with respect to any such tax, fee or other charge.

4.11 Federal Regulations. No part of the proceeds of any Loans, and no other extensions of credit hereunder, will be used for "buying" or "carrying" any "margin stock" within the respective meanings of each of the quoted terms under Regulation U as now and from time to time hereafter in effect or for any purpose that violates the provisions of the Regulations of the Board. If requested by any Lender or the Administrative Agent, the Borrower will furnish to the Administrative Agent and each Lender a statement to the foregoing effect in conformity with the requirements of FR Form G-3 or FR Form U-1, as applicable, referred to in Regulation U.

4.12 Labor Matters. Except as, in the aggregate, could not reasonably be expected to have a Material Adverse Effect: (a) there are no strikes or other labor disputes against Holdings, the Borrower or any of their respective Subsidiaries pending or, to the knowledge of Holdings or the Borrower, threatened; (b) hours worked by and payment made to employees of Holdings, the Borrower and their respective Subsidiaries have not been in violation of the Fair Labor Standards Act or any other applicable Requirement of Law dealing with such matters; and (c) all payments due from Holdings, the Borrower or any of their respective Subsidiaries on account of employee health and welfare insurance have been paid or accrued as a liability on the books of Holdings, the Borrower or the relevant Subsidiary.

4.13 ERISA. Neither a Reportable Event nor an "accumulated funding deficiency" (within the meaning of Section 412 of the Code or Section 302 of ERISA) has occurred during the five-year period prior to the date on which this representation is made or deemed made with respect to any Plan, and each Plan has complied in all material respects with the applicable provisions of ERISA and the Code. No termination of a Single Employer Plan (other than a standard termination pursuant to Section 4041(b) of ERISA) has occurred, and no Lien in favor of the PBGC or a Plan has arisen, during such five-year period. The present value of all accrued benefits under each Single Employer Plan (based on those assumptions used to fund such Plans) did not, as of the last annual valuation date prior to the date on which this representation is made or deemed made, exceed the value of the assets of such Plan allocable to such accrued benefits by an amount that could reasonably be expected to have a Material Adverse Effect. Neither the Borrower nor any Commonly Controlled Entity has had a complete or partial withdrawal from any Multiemployer Plan that has resulted or could reasonably be expected to result in a material liability under ERISA, and neither the Borrower nor any Commonly Controlled Entity would become subject to any material liability under ERISA if the Borrower or any such Commonly Controlled Entity were to withdraw completely from all Multiemployer Plans as of the valuation date most closely preceding the date on which this representation is made or deemed made. No such Multiemployer Plan is in Reorganization or Insolvent.

4.14 Investment Company Act; Other Regulations. No Loan Party is an "investment company", or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended. No Loan Party is subject to regulation under any Requirement of Law (other than Regulation X of the Board) that limits its ability to incur Indebtedness.

4.15 Subsidiaries. Except as disclosed to the Administrative Agent by the Borrower in writing from time to time after the Closing Date, (a) Schedule 4.15 sets forth the name and jurisdiction of incorporation of each Subsidiary and, as to each such Subsidiary, the percentage of each class of Capital Stock owned by any Loan Party and (b) there are no outstanding subscriptions, options, warrants, calls, rights or other agreements or commitments (other than stock options granted to employees or directors and directors' qualifying shares) of any nature relating to any Capital Stock of the Borrower or any Subsidiary, except (i) as created by the Loan Documents, (ii) for the call right described in Section 7.5(e) and (iii) as created by agreements governing Investments made pursuant to Section 7.7(i), (j) or (l) (and which apply only to Capital Stock of the Subsidiary in which the relevant Investment is made).

4.16 Use of Proceeds. The proceeds of the Loans and the Letters of Credit shall be used for general corporate purposes.

4.17 Environmental Matters. Except as, in the aggregate, could not reasonably be expected to have a Material Adverse Effect:

(a) the facilities and properties owned, leased or operated by Holdings, the Borrower or any of their respective Subsidiaries (the "Properties") do not contain any Materials of Environmental Concern in amounts or concentrations that constitute a violation of, or could reasonably be expected to result in liability of Holdings, the Borrower or any of their respective Subsidiaries under applicable Environmental Law;

(b) neither Holdings, the Borrower nor any of their respective Subsidiaries has received written notice of any actual or alleged violation, liability or potential liability regarding compliance with Environmental Laws with regard to any of the Properties or the business operated by Holdings, the Borrower or any of their respective Subsidiaries (the "Business"), nor does Holdings or the Borrower have knowledge or reason to believe that any such notice will be received or is being threatened;

(c) neither Holdings, the Borrower nor any of their respective Subsidiaries has transported or disposed of Materials of Environmental Concern from the Properties in violation of, or in a manner or to a location that could reasonably be expected to result in liability of Holdings, the Borrower or any of their respective Subsidiaries under, applicable Environmental Law;

(d) no judicial proceeding or governmental or administrative action is pending or, to the knowledge of Holdings and the Borrower, threatened, under applicable Environmental Law against Holdings, the Borrower or any of their respective Subsidiaries with respect to the Properties or the Business, nor are there any consent decrees or other decrees, consent orders, administrative orders or other orders outstanding under applicable Environmental Law with respect to the Properties or the Business; and

(e) the Properties and all operations at the Properties are in compliance with all applicable Environmental Laws.

4.18 Accuracy of Information, etc. No statement or information contained in this Agreement, any other Loan Document, the Confidential Information Memorandum or any other document, certificate or statement furnished by or on behalf of any Loan Party to the Administrative

Agent or the Lenders, or any of them, for use in connection with the transactions contemplated by this Agreement or the other Loan Documents, contained as of the date such statement, information, document or certificate was so furnished (or, in the case of the Confidential Information Memorandum, as of the date of this Agreement), any untrue statement of a material fact or omitted to state a material fact necessary to make the statements contained herein or therein not misleading. The projections and pro forma financial information contained in the materials referenced above are based upon good faith estimates and assumptions believed by management of the Borrower to be reasonable at the time made, it being recognized by the Lenders that such financial information as it relates to future events is not to be viewed as fact and that actual results during the period or periods covered by such financial information may differ from the projected results set forth therein by a material amount.

4.19 Security Interests. The Guarantee and Collateral Agreement is effective to create in favor of the Administrative Agent, for the benefit of the Lenders, a legal, valid and enforceable security interest in the Collateral described therein and proceeds thereof. In the case of the Pledged Stock described in the Guarantee and Collateral Agreement, when stock certificates representing such Pledged Stock are delivered to the Administrative Agent, and in the case of the other Collateral described in the Guarantee and Collateral Agreement, when financing statements and other filings specified on Schedule 4.19 in appropriate form are filed in the offices specified on Schedule 4.19, the Guarantee and Collateral Agreement shall constitute a fully perfected Lien on, and security interest in, all right, title and interest of the Loan Parties in such Collateral and the proceeds thereof for which the filing of a Uniform Commercial Code financing statement is specified as the manner of perfection, as security for the Obligations (as defined in the Guarantee and Collateral Agreement), in each case prior and superior in right to any other Person (except, in the case of Collateral other than Pledged Stock, Liens permitted by Section 7.3).

4.20 Solvency. Each Loan Party is, and after giving effect to the incurrence of all Indebtedness and obligations being incurred in connection herewith will be and will continue to be, Solvent.

4.21 Year 2000 Matters. Except for disruptions which, in the aggregate, could not reasonably be expected to have a Material Adverse Effect, the year 2000 date change has not resulted in disruption of Holdings', the Borrower's and their respective Subsidiaries' computer hardware, software, databases, systems and other equipment containing embedded microchips (including systems and equipment supplied by others or with which Holdings', the Borrower's or their respective Subsidiaries' systems interface), or to Holdings', the Borrower's or their respective Subsidiaries' operations or business systems, or to the best of Holdings', the Borrower's and their respective Subsidiaries' knowledge, to the operations or business systems of the Borrower's major vendors, customers, suppliers and counterparties. Neither Holdings nor the Borrower has any reason to believe that liabilities and expenditures related to the year 2000 date-change (including, without limitation, costs caused by reprogramming errors, the failure of others' systems or equipment, and the potential liability, if any, of Holdings, the Borrower or their respective Subsidiaries for year 2000 related costs incurred or disruption experienced by others) will result in a Default, Event of Default or a Material Adverse Effect.

SECTION 5. CONDITIONS PRECEDENT

5.1 Conditions to Initial Extension of Credit. The agreement of each Lender to make the initial extension of credit requested to be made by it is subject to the satisfaction, prior to or concurrently with the making of such extension of credit on the Closing Date, of the following conditions precedent:

(a) Credit Agreement; Guarantee and Collateral Agreement. The Administrative Agent shall have received (i) this Agreement, executed and delivered by the Agents, Holdings, the Borrower and each Person listed on Schedule 1.1, (ii) the Guarantee and Collateral Agreement, executed and delivered by Holdings, the Borrower, each Subsidiary Guarantor and any Specified Non-Wholly Owned Subsidiary and (iii) an Acknowledgement and Consent in the form attached to the Guarantee and Collateral Agreement, executed and delivered by each Issuer (as defined therein), if any, that is not a Loan Party.

In the event that this Agreement has not been duly executed and delivered by each Person listed on Schedule 1.1 on the date scheduled to be the Closing Date, the condition referred to in clause (i) above shall nevertheless be deemed satisfied if on such date the Borrower and the Administrative Agent shall have designated one or more Persons (the "Designated Lenders") to assume, in the aggregate, all of the Commitments that would have been held by the Persons listed on Schedule 1.1 (the "Non-Executing Persons") which have not so executed and delivered this Agreement (subject to each such Designated Lender's consent and its execution and delivery of this Agreement). Schedule 1.1 shall automatically be deemed to be amended to reflect the respective Commitments of the Designated Lenders and the omission of the Non-Executing Persons as Lenders hereunder.

(b) Cash at Holdings, etc.

(i) The Administrative Agent shall have received satisfactory evidence that the amount of cash held by Holdings on the Closing Date, when added to the amount of cash contributed by Holdings to the Borrower or any of the Borrower's Subsidiaries during the period from January 1, 2000 through the Closing Date, shall equal at least $425,000,000; and

(ii) (A) The Administrative Agent shall have received a satisfactory "pay-off" letter from KCCI, as administrative agent under the KCCI Credit Agreement, stating, among other things, that upon the payment in full of all amounts owing under the KCCI Credit Agreement, the KCCI Credit Agreement shall terminate and all liens and other security interests granted thereunder shall terminate and be of no further force or effect and (B) the Administrative Agent shall have received a copy of a funds flow memorandum evidencing the payment in full to KCCI, as administrative agent under the KCCI Credit Agreement, of all amounts owing thereunder.

(c) Pro Forma Balance Sheet; Financial Statements; Projections. (i) The Lenders shall have received the Pro Forma Balance Sheets and the other financial statements referred to in Section 4.1.

(ii) The Lenders shall have received satisfactory Projections through the 2008 fiscal year of the Borrower.

(d) Approvals. All material governmental and third party approvals (including, without limitation, any approval in connection with the pledge of Capital Stock of the GTE JV) necessary in connection with the transactions contemplated hereby shall have been obtained and be in full force and effect.

(e) Lien Searches. The Administrative Agent shall have received the results of a recent Uniform Commercial Code lien search from the Secretary of State or other appropriate state office for those states in which are located towers or other income producing property of the Borrower or any of its Subsidiaries that have generated on a pro forma basis in the aggregate at least 50% of the gross revenues of the Borrower and its Subsidiaries for the twelve month period most recently ended prior to the Closing Date, and such search shall reveal no liens on any of the assets of the Borrower or its Subsidiaries except for liens permitted by Section 7.3 or discharged on or prior to the Closing Date pursuant to documentation satisfactory to the Administrative Agent.

(f) Fees. The Lenders and the Agents shall have received all fees required to be paid, and all expenses for which invoices have been presented (including the reasonable fees and expenses of legal counsel), on or before the Closing Date. All such amounts will be paid with proceeds of Loans made on the Closing Date and will be reflected in the funding instructions given by the Borrower to the Administrative Agent on or before the Closing Date.

(g) Closing Certificate. The Administrative Agent shall have received a certificate of each Loan Party, dated the Closing Date, substantially in the form of Exhibit C, with appropriate insertions and attachments.

(h) Legal Opinions. The Administrative Agent shall have received the executed legal opinion of Cravath, Swaine & Moore, counsel to Holdings, the Borrower and its Subsidiaries, substantially in the form of Exhibit F. Such legal opinion shall cover such other matters incident to the transactions contemplated by this Agreement as the Administrative Agent may reasonably require.

(i) Pledged Stock; Stock Powers; Pledged Notes. The Administrative Agent shall have received (i) if certificated, the certificates representing the shares of Capital Stock pledged pursuant to the Guarantee and Collateral Agreement, together with an undated stock power for each such certificate executed in blank by a duly authorized officer of the pledgor thereof and (ii) each promissory note (if any) pledged to the Administrative Agent pursuant to the Guarantee and Collateral Agreement endorsed (without recourse) in blank (or accompanied by an executed transfer form in blank) by the pledgor thereof.

(j) Filings, Registrations and Recordings. Each document (including any Uniform Commercial Code financing statement) required by the Security Documents or under law or reasonably requested by the Administrative Agent to be filed, registered or recorded in order to create in favor of the Administrative Agent, for the benefit of the Lenders, a perfected Lien on the Collateral described therein, prior and superior in right to any other Person (other than with respect to Liens expressly permitted by Section 7.3), shall be in proper form for filing, registration or recordation.

(k) Insurance. The Administrative Agent shall have received insurance certificates satisfying the requirements of Section 5.2 of the Guarantee and Collateral Agreement.

5.2 Conditions to Each Extension of Credit. The agreement of each Lender to make any extension of credit requested to be made by it on any date (including its initial extension of credit) is subject to the satisfaction of the following conditions precedent:

(a) Representations and Warranties. Each of the representations and warranties made by any Loan Party in or pursuant to the Loan Documents shall be true and correct in all material respects on and as of such date as if made on and as of such date.

(b) No Default. No Default or Event of Default shall have occurred and be continuing on such date or after giving effect to the extensions of credit requested to be made on such date.

(c) Other Documents. In the case of any extension of credit made on an Increased Facility Closing Date, the Administrative Agent shall have received such documents and information as it may reasonably request.

Each borrowing by and issuance of a Letter of Credit on behalf of the Borrower hereunder shall constitute a representation and warranty by the Borrower as of the date of such extension of credit that the conditions contained in Sections 5.2(a) and (b) have been satisfied.

SECTION 6. AFFIRMATIVE COVENANTS

Holdings and the Borrower hereby jointly and severally agree that, so long as the Commitments remain in effect, any Letter of Credit remains outstanding or any Loan or other amount is owing to any Lender or any Agent hereunder, each of Holdings and the Borrower shall, and shall cause each of their respective Subsidiaries to:

6.1 Financial Statements. Furnish to the Administrative Agent:

(a)(i) as soon as available, but in any event within 95 days after the end of each fiscal year of Holdings, a copy of the audited consolidated balance sheet of Holdings and its consolidated Subsidiaries (including, for the purposes of this Section 6.1(a)(i), the Unrestricted Subsidiaries) as at the end of such year and the related audited consolidated statements of income and of cash flows for such year, setting forth in each case in comparative form the figures for the previous year, reported on without a "going concern" or like qualification or exception, or qualification arising out of the scope of the audit, by KPMG, LLP or other independent certified public accountants of nationally recognized standing;

(ii) as soon as available, but in any event within 95 days after the end of each fiscal year of the Borrower, a copy of the audited consolidated balance sheet of the Borrower and its consolidated Subsidiaries as at the end of such year and the related audited consolidated statements of income and of cash flows for such year, setting forth in each case in comparative form the figures for the previous year, reported on without a "going concern" or like qualification or exception, or qualification arising out of the scope of the audit, by KPMG, LLP or other independent certified public accountants of nationally recognized standing;

(b)(i) as soon as available, but in any event not later than 50 days after the end of each of the first three quarterly periods of each fiscal year of Holdings, the unaudited consolidated balance sheet of Holdings and its consolidated Subsidiaries (including, for the purposes of this Section 6.1(b)(i), the Unrestricted Subsidiaries) as at the end of such quarter and the related unaudited consolidated statements of income and of cash flows for such quarter and the portion of the fiscal year through the end of such quarter, setting forth in each case in comparative form the figures for the previous year, certified by a Responsible Officer as being fairly stated in all material respects (subject to normal year-end audit adjustments);

(ii) as soon as available, but in any event not later than 50 days after the end of each of the first three quarterly periods of each fiscal year of the Borrower, the unaudited consolidated balance sheet of the Borrower and its consolidated Subsidiaries as at the end of such quarter and the related unaudited consolidated statements of income and of cash flows for such quarter and the portion of the fiscal year through the end of such quarter, setting forth in each case in comparative form the figures for the previous year, certified by a Responsible Officer as being fairly stated in all material respects (subject to normal year-end audit adjustments).

All such financial statements, together with the notes thereto, shall fairly present in all material respects the financial condition of the relevant entities and shall be prepared in accordance with GAAP applied consistently throughout the periods reflected therein and with prior periods (except as approved by such accountants or officer, as the case may be, and disclosed therein).

Any financial statement required to be delivered pursuant to this Section 6.1 shall be deemed to have been delivered on the date on which the Borrower posts such financial statement on its website on the Internet at www.crowncomm.net or when such financial statement is posted on the SEC's website on the Internet at www.sec.gov; provided that the Borrower shall give notice of any such posting to the Administrative Agent (who shall then give notice of any such posting to the Lenders); provided, further, that the Borrower shall deliver paper copies of any financial statement referred to in this Section 6.1 to the Administrative Agent if the Administrative Agent or any Lender requests the Borrower to deliver such paper copies until written notice to cease delivering such paper copies is given by the Administrative Agent.

6.2 Certificates; Other Information. Furnish to the Administrative Agent:

(a) concurrently with the delivery of the financial statements referred to in Section 6.1(a), a certificate of the independent certified public accountants reporting on such financial statements stating that in making the examination necessary therefor no knowledge was obtained of any Default or Event of Default, except as specified in such certificate;

(b) concurrently with the delivery of any financial statements pursuant to Section 6.1, (i) a certificate of a Responsible Officer stating that, to the best of each such Responsible Officer's knowledge, each Loan Party during such period has observed or performed in all material respects all of its covenants and other agreements, and satisfied every condition, contained in this Agreement and the other Loan Documents to which it is a party to be observed, performed or satisfied by it, and that such Responsible Officer has obtained no knowledge of any Default or Event of Default except as specified in such certificate and (ii) in the case of quarterly or annual financial statements, (x) a Compliance Certificate containing all information and calculations

necessary for determining compliance by Holdings, the Borrower and their respective Subsidiaries with the provisions of this Agreement referred to therein as of the last day of the fiscal quarter or fiscal year of the Borrower, as the case may be, and (y) to the extent not previously disclosed to the Administrative Agent, a listing of any county or state within the United States where any Loan Party keeps inventory or equipment and of any Intellectual Property acquired by any Loan Party since the date of the most recent list delivered pursuant to this clause (y) (or, in the case of the first such list so delivered, since the Closing Date);

(c) as soon as available, and in any event no later than 50 days after the end of each fiscal year of the Borrower, a detailed consolidated budget for the following fiscal year (including a projected consolidated balance sheet of the Borrower and its Subsidiaries as of the end of the following fiscal year, the related consolidated statements of projected cash flow, projected changes in financial position and projected income and a description of the underlying assumptions applicable thereto), and, as soon as available, significant revisions, if any, of such budget and projections with respect to such fiscal year (collectively, the "Projections"), which Projections shall in each case be accompanied by a certificate of a Responsible Officer stating that such Projections have been prepared in good faith and are based on good faith estimates and assumptions believed by the Borrower to be reasonable at the time made (it being recognized by the Lenders that such opinions, projections and forecasts as to any future event or state of affairs are not to be viewed as factual information and that actual results during the period or periods covered by any such opinion, projection or forecast may differ from the opinions and projected or forecast results).

(d) within 50 days after the end of each fiscal quarter of the Borrower, a narrative discussion and analysis of the financial condition and results of operations of the Borrower and its Subsidiaries for such fiscal quarter and for the period from the beginning of the then current fiscal year to the end of such fiscal quarter, as compared to the portion of the Projections covering such periods and to the comparable periods of the previous year; provided that the obligation imposed by this Section 6.2(d) may be met by furnishing the narrative discussion and analysis of the financial condition and results of operations contained in the Form 10-Q filed by Holdings with the SEC for such fiscal quarter so long as such discussion and analysis accurately and clearly discloses the financial condition and results of operations of the Borrower and its Subsidiaries as a separate group;

(e) within five days after the same are sent, copies of all financial statements and reports that Holdings or the Borrower sends to the holders of any class of its debt securities or public equity securities and, within five days after the same are filed, copies of all financial statements and reports that Holdings or the Borrower may make to, or file with, the SEC; and

(f) promptly, such additional financial and other information as any Lender may from time to time reasonably request.

Any delivery required to be made pursuant to Section 6.2(d) or (e) shall be deemed to have been made on the date on which the Borrower posts such delivery on its website on the Internet at www.crowncomm.net or when such delivery is posted on the SEC's website on the Internet at www.sec.gov; provided that the Borrower shall give notice of any such posting to the Administrative Agent (who shall then give notice of any such posting to the Lenders); provided, further, that the

Borrower shall deliver paper copies of any delivery referred to in Section 6.2(d) or (e) to the Administrative Agent if the Administrative Agent or any Lender requests the Borrower to deliver such paper copies until written notice to cease delivering such paper copies is given by the Administrative Agent.

6.3 Payment of Obligations. Pay, discharge or otherwise satisfy at or before maturity or before they become delinquent, as the case may be, all its material obligations of whatever nature, except (a) where the amount or validity thereof is currently being contested in good faith by appropriate proceedings and reserves in conformity with GAAP with respect thereto have been provided on the books of Holdings, the Borrower or their respective Subsidiaries, as the case may be, or (b) in the case of trade payables, as could not, in the aggregate, reasonably be expected to have a Material Adverse Effect.

6.4 Maintenance of Existence; Compliance. (a)(i) Preserve, renew and keep in full force and effect its corporate existence and (ii) take all reasonable action to maintain all rights, privileges and franchises necessary or desirable in the normal conduct of its business, except, in each case, as otherwise permitted by Section 7.4 and except, in the case of clause (ii) above, to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect; and (b) comply with all Contractual Obligations and Requirements of Law except to the extent that failure to comply therewith could not, in the aggregate, reasonably be expected to have a Material Adverse Effect.

6.5 Maintenance of Property; Insurance. (a) Keep all property useful and necessary in its business in good working order and condition, ordinary wear and tear excepted and (b) maintain with financially sound and reputable insurance companies insurance on all its property in at least such amounts and against at least such risks (but including in any event public liability, product liability and business interruption) as are usually insured against in the same general area by companies engaged in the same or a similar business (it being understood that, to the extent consistent with prudent business practice of Persons carrying on a similar business in a similar location, a program of up to $5,000,000 of self-insurance for first or other loss layers may be utilized).

6.6 Inspection of Property; Books and Records; Discussions. (a) Keep proper books of records and account in which full, true and correct entries in conformity with GAAP and all Requirements of Law shall be made of all dealings and transactions in relation to its business and activities and (b) permit representatives of any Lender (i) to visit and inspect any of its properties and examine and make abstracts from any of its books and records at any reasonable time, upon reasonable notice and as often as may reasonably be desired and (ii) to discuss the business, operations, properties and financial and other condition of Holdings, the Borrower and their respective Subsidiaries with officers and employees of Holdings, the Borrower and their respective Subsidiaries and, so long as a representative of the Borrower is present during such discussions (unless a Default or Event of Default has occurred and is continuing), with its independent certified public accountants. Notwithstanding the foregoing no disclosure of information subject to confidentiality or similar constraints shall be required by this Section 6.6.

6.7 Notices. Promptly give notice to the Administrative Agent of:

(a) the occurrence of any Default or Event of Default;

(b) any (i) default or event of default under any Contractual Obligation of Holdings, the Borrower or any of their respective Subsidiaries or (ii) litigation, investigation or proceeding that

may exist at any time between Holdings, the Borrower or any of their respective Subsidiaries and any Governmental Authority, that in the case of clause (b)(i) or (b)(ii), if not cured or if adversely determined, as the case may be, could reasonably be expected to have a Material Adverse Effect;

(c) any litigation or proceeding affecting Holdings, the Borrower or any of their respective Subsidiaries (i) in which the amount involved is $5,000,000 or more and not covered by insurance, (ii) in which injunctive or similar relief is sought or (iii) which relates to any Loan Document;

(d) the following events, as soon as possible and, in any event, within 30 days after the Borrower knows thereof: (i) the occurrence of any Reportable Event with respect to any Plan, a failure to make any required contribution to a Plan, the creation of any Lien in favor of the PBGC or a Plan or any withdrawal from, or the termination, Reorganization or Insolvency of, any Multiemployer Plan or (ii) the institution of proceedings or the taking of any other action by the PBGC or the Borrower or any Commonly Controlled Entity or any Multiemployer Plan with respect to the withdrawal from, or the termination, Reorganization or Insolvency of, any Plan; and

(e) any development or event that has had or could reasonably be expected to have a Material Adverse Effect.

Each notice pursuant to this Section 6.7 shall be accompanied by a statement of a Responsible Officer setting forth details of the occurrence referred to therein and stating what action Holdings, the Borrower or the relevant Subsidiary proposes to take with respect thereto.

6.8 Environmental Laws. (a) Comply in all material respects with, and use its reasonable efforts to ensure compliance in all material respects by all tenants and subtenants, if any, with, all applicable Environmental Laws, and obtain and comply in all material respects with and maintain, and use its reasonable efforts to ensure that all tenants and subtenants obtain and comply in all material respects with and maintain, any and all licenses, approvals, notifications, registrations or permits required by applicable Environmental Laws, except, in each case, to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect.

(b) Conduct and complete all investigations, studies, sampling and testing, and all remedial, removal and similar actions required under Environmental Laws and promptly comply in all material respects with all lawful orders and directives of all Governmental Authorities regarding Environmental Laws, except to the extent that the same are being contested in good faith by appropriate proceedings and the pendency of such proceedings could not reasonably be expected to have a Material Adverse Effect.

6.9 Interest Rate Protection. The Borrower shall hedge the interest rate, or maintain in effect a fixed interest rate, on at least 50% of the aggregate principal amount of the total Indebtedness of Holdings, the Borrower and its Subsidiaries on terms and conditions (including rate and tenor) acceptable to the Administrative Agent.

6.10 Additional Collateral, etc. (a) With respect to property acquired after the Closing Date by the Borrower or any of its Subsidiaries (other than (x) real property, (y) any property described

in paragraph (b) below and (z) any property subject to a Lien expressly permitted by Section 7.3(g)) as to which the Administrative Agent, for the benefit of the Lenders, does not have a perfected Lien, promptly (i) execute and deliver to the Administrative Agent such amendments or supplements to the relevant Security Documents or such other documents as the Administrative Agent deems necessary or advisable to grant to the Administrative Agent, for the benefit of the Lenders, a security interest in such property and (ii) take all actions necessary or advisable to grant to the Administrative Agent, for the benefit of the Lenders, a perfected security interest in such property, including the filing of Uniform Commercial Code financing statements (or equivalent documents) in such jurisdictions as may be required by the relevant Security Documents or by law or as may be reasonably requested by the Administrative Agent. So long as no Default or Event of Default has occurred and is continuing, actions taken pursuant to this Section 6.10(a) will be consistent with those taken in connection with the Collateral at the Closing Date.

(b) With respect to any new Subsidiary created or acquired after the Closing Date by Holdings (if such Subsidiary is an Unrestricted Subsidiary SPV), the Borrower or any of its Subsidiaries (which, for the purposes of this paragraph (b), shall include any Unrestricted Borrower Subsidiary that ceases to qualify as such), promptly (i) execute and deliver to the Administrative Agent such amendments or supplements to the relevant Security Documents or such other documents as the Administrative Agent deems necessary or advisable to grant to the Administrative Agent, for the benefit of the Lenders, a perfected security interest in the Capital Stock of such new Subsidiary that is owned by Holdings, the Borrower or any of its Subsidiaries, (ii) deliver to the Administrative Agent the certificates representing such Capital Stock, together with undated stock powers, in blank, executed and delivered by a duly authorized officer of Holdings, the Borrower or such Subsidiary, as the case may be, (iii) cause such new Subsidiary (A) to become a party to the Guarantee and Collateral Agreement (or agreements having a substantially equivalent effect) , (B) to take such actions necessary or advisable to grant to the Administrative Agent for the benefit of the Lenders a perfected security interest in the Collateral of the type described in the Guarantee and Collateral Agreement with respect to such new Subsidiary, including the filing of Uniform Commercial Code financing statements (or equivalent documents) in such jurisdictions as may be required by the Guarantee and Collateral Agreement or by law or as may be reasonably requested by the Administrative Agent and (C) to deliver to the Administrative Agent a certificate of such Subsidiary, substantially in the form of Exhibit C, with appropriate insertions and attachments, and (iv) in the case of any Foreign Subsidiary, if reasonably requested by the Administrative Agent, deliver to the Administrative Agent legal opinions relating to the matters described above, which opinions shall be in form and substance, and from counsel, reasonably satisfactory to the Administrative Agent. It is understood that any Specified Non-Wholly Owned Subsidiary that is required to become a party to the Guarantee and Collateral Agreement pursuant to this paragraph shall not be required to become a "Guarantor" thereunder (until it becomes a Wholly Owned Subsidiary), but shall be required to grant a security interest in any of its assets constituting "Collateral" as defined therein for the purpose of securing its obligations under its Specified Intercompany Note.

6.11 Organizational Separateness. (a) Ensure that each Unrestricted Subsidiary SPV does not (i) conduct, transact or otherwise engage in, or commit to conduct, transact or otherwise engage in, any business or operations other than those incidental to its ownership of the Capital Stock of Unrestricted Subsidiaries, (ii) own, lease, manage or otherwise operate any properties or assets other than the Capital Stock of Unrestricted Subsidiaries owned by it or (iii) own the Capital Stock of both Foreign and Domestic Subsidiaries.

(b) Ensure that the restrictions enumerated in paragraph (a) above are set forth in the Governing Documents of each Unrestricted Subsidiary SPV.

(c) Ensure that each Tower SPV does not (i) conduct, transact or otherwise engage in, or commit to conduct, transact or otherwise engage in, any business or operations other than those incidental to its ownership of communications tower facilities or (ii) own, lease, manage or otherwise operate any properties or assets other than the communications tower facilities owned by it. Notwithstanding clauses (i) and (ii) above, (A) Crown Castle International Corp. de Puerto Rico may continue to operate its microwave business as operated on the Closing Date and (B) Crown Communication Inc. may hold the Capital Stock of the Subsidiaries it owns on the Closing Date; provided that Crown Communication Inc. shall within a reasonable time period after the Closing Date (which time period shall in no event be longer than 60 days), come into compliance with this Section 6.11(c) as if this sentence did not exist.

(d) Ensure that the restrictions enumerated in paragraph (c) above are set forth in the Governing Documents of each Tower SPV.

(e) Ensure that Crown Castle GT Corp. does not (i) conduct, transact or otherwise engage in, or commit to conduct, transact or otherwise engage in, any business or operations other than those incidental to its ownership of the Capital Stock of the GTE JV, (ii) own, lease, manage or otherwise operate any properties or assets other than the Capital Stock of the GTE JV owned by it or (iii) own the Capital Stock of both Foreign and Domestic Subsidiaries.

(f) Ensure that the restrictions enumerated in paragraph (e) above are set forth in the Governing Documents of Crown Castle GT Corp.

(g) Cause the consolidated and any consolidating financial statements of Holdings and its Subsidiaries (including the Tower SPVs) and the Borrower and its Subsidiaries (including the Tower SPVs), or any thereof, through appropriate footnote disclosure, to separately indicate that the communications tower facilities are owned by the Tower SPVs.

(h)(i) Maintain bank accounts with commercial banking institutions that are separate from those of the Unrestricted Subsidiaries, the Unrestricted Subsidiary SPVs and Crown Castle GT Corp., (ii) cause each Unrestricted Subsidiary and Unrestricted Subsidiary SPV to maintain bank accounts, if any, with commercial banking institutions that are separate from those of any other Unrestricted Subsidiary or Unrestricted Subsidiary SPV or any Tower SPV or Crown Castle GT Corp., (iii) cause each Tower SPV to maintain bank accounts, if any, with commercial banking institutions that are separate from those of any Unrestricted Subsidiary or Unrestricted Subsidiary SPV or Crown Castle GT Corp. and (iv) cause Crown Castle GT Corp. to maintain bank accounts, if any, with commercial banking institutions that are separate from those of any Unrestricted Subsidiary, Unrestricted Subsidiary SPV or Tower SPV.

(i) Conduct its affairs strictly in accordance with its Governing Documents and to observe all necessary, appropriate, and customary corporate, limited liability company and other organizational formalities, including keeping separate and accurate minutes of meetings of its board of directors, shareholders, managers, members or partners, as the case may be, passing all resolutions or consents necessary to authorize actions to be taken, and maintaining accurate and separate books, records and accounts and in a manner permitting its assets and liabilities to be easily separated and readily ascertained.

(j) Ensure that each Unrestricted Subsidiary, Unrestricted Subsidiary SPV and Tower SPV and Crown Castle GT Corp. strictly complies with its Governing Documents.

(k)(i) Ensure that its monies and other assets are not commingled with the monies or other assets of any Unrestricted Subsidiary or Unrestricted Subsidiary SPV or Crown Castle GT Corp. and otherwise remain clearly traceable, (ii) cause each Unrestricted Subsidiary and Unrestricted Subsidiary SPV and Crown Castle GT Corp. to ensure that its monies and other assets are not commingled with the monies or other assets of any other Unrestricted Subsidiary or Unrestricted Subsidiary SPV or any Tower SPV or Crown Castle GT Corp. and otherwise remain clearly traceable and (iii) cause each Tower SPV to ensure that its monies and other assets are not commingled with the monies or other assets of any Unrestricted Subsidiary or Unrestricted Subsidiary SPV or Crown Castle GT Corp. and otherwise remain clearly traceable.

(l) Cause each Unrestricted Subsidiary, Unrestricted Subsidiary SPV and Tower SPV and Crown Castle GT Corp. to not hold itself out to the public or to any of its individual creditors as being a unified Person with common assets and liabilities with Holdings, the Borrower or any of their respective Subsidiaries or act in a manner that would otherwise cause its creditors to believe that such Person was not a separate entity from such other Persons.

(m) Without limiting the generality of the foregoing, not take any action, or conduct its affairs in a manner, that could reasonably be expected to result in the separate existence of any Unrestricted Subsidiary, Unrestricted Subsidiary SPV or Tower SPV or Crown Castle GT Corp. being ignored, or the assets and liabilities of any Unrestricted Subsidiary, Unrestricted Subsidiary SPV or Tower SPV or Crown Castle GT Corp. being substantively consolidated with those of Holdings, the Borrower or any of their respective Subsidiaries (including any other Unrestricted Subsidiary, Unrestricted Subsidiary SPV or Tower SPV or Crown Castle GT Corp.) in a bankruptcy, reorganization or other insolvency proceeding.

6.12 Australian Security Documents. Concurrently with the making of any Australian Intercompany Loan, provide to the Administrative Agent such security agreements, other documents, legal opinions and certificates as the Administrative Agent shall reasonably request in connection therewith.

SECTION 7. NEGATIVE COVENANTS

Holdings and the Borrower hereby jointly and severally agree that, so long as the Commitments remain in effect, any Letter of Credit remains outstanding or any Loan or other amount is owing to any Lender or the Administrative Agent hereunder, each of Holdings and the Borrower shall not, and shall not permit any of their respective Subsidiaries to, directly or indirectly (provided that Sections 7.1, 7.2, 7.5, 7.6, 7.7, 7.8, 7.9, 7.11, 7.14 and 7.16 shall apply only to the Borrower and its Subsidiaries):

7.1 Financial Condition Covenants.

(a) Consolidated Leverage Ratio. Permit the Consolidated Leverage Ratio determined as of the last day of any fiscal quarter of the Borrower ending during any period set forth below to exceed the ratio set forth below opposite such period:

Period	Consolidated Leverage Ratio
Closing Date - 12/31/00	7.50 to 1.00
01/01/01 - 06/30/01	7.00 to 1.00
07/01/01 - 12/31/01	6.50 to 1.00
01/01/02 - 12/31/02	5.50 to 1.00
01/01/03 - 12/31/03	4.50 to 1.00
01/01/04 and thereafter	4.00 to 1.00

(b) Consolidated Interest Coverage Ratio. Permit the Consolidated Interest Coverage Ratio determined as of the last day of any fiscal quarter ending during any period set forth below to be less than the ratio set forth below opposite such period:

Fiscal Quarter	Consolidated Interest Fiscal Coverage Ratio
03/31/00 - 12/31/01	1.75 to 1.00
01/01/02 - 12/31/02	2.00 to 1.00
01/01/03 - 12/31/03	2.25 to 1.00
01/01/04 - 12/31/04	2.50 to 1.00
01/01/05 and thereafter	2.75 to 1.00

(c) Consolidated Debt Service Coverage Ratio. Permit the Consolidated Debt Service Coverage Ratio determined as of the last day of any fiscal quarter ending after March 31, 2000 to be less than 1.15 to 1.00.

(d) Consolidated Fixed Charge Coverage Ratio. Permit the Consolidated Fixed Charge Coverage Ratio determined as of the last day of any fiscal quarter ending after March 31, 2000 to be less than 1.10 to 1.00.

For the purposes of paragraphs (b), (c) and (d) above, in calculating the relevant ratios for any period that is not comprised of four fiscal quarters commencing after the Closing Date, Consolidated Cash Interest Expense and Consolidated Fixed Charges for the relevant period shall be deemed to equal Consolidated Cash Interest Expense or Consolidated Fixed Charges, as applicable, for the number of fiscal quarters commencing after December 31, 1999 that fall within such period multiplied by the appropriate factor necessary to annualize such amount.

7.2 Indebtedness. Create, issue, incur, assume, become liable in respect of or suffer to exist any Indebtedness, except:

(a) Indebtedness of any Loan Party pursuant to any Loan Document;

(b) Indebtedness of (i) the Borrower to any Subsidiary, (ii) any Wholly Owned Subsidiary Guarantor to the Borrower or any other Subsidiary and (iii) any Specified Non-Wholly Owned Subsidiary to the Borrower or any Wholly Owned Qualifying Subsidiary Guarantor pursuant to a Specified Intercompany Note, provided that for purposes of this Section 7.2(b), the

Australian Subsidiary shall be considered a Wholly Owned Subsidiary Guarantor so long as all of its Capital Stock is pledged as Collateral;

(c)(i) Guarantee Obligations incurred in the ordinary course of business by the Borrower or any of its Subsidiaries of obligations of any Wholly Owned Subsidiary Guarantor and (ii) Guarantee Obligations incurred in the ordinary course of business by any Subsidiary Guarantor of obligations of the Borrower;

(d) Indebtedness outstanding on the date hereof and listed on Schedule 7.2(d) and any refinancings, refundings, renewals or extensions thereof (without increasing, or shortening the maturity of, the principal amount thereof, other than to the extent permitted by Section 7.2(l));

(e) Indebtedness (including, without limitation, Capital Lease Obligations) secured by Liens permitted by Section 7.3(g) in an aggregate principal amount not to exceed $25,000,000 at any one time outstanding;

(f) Hedge Agreements in respect of Indebtedness otherwise permitted hereby that bears interest at a floating rate, so long as such agreements are not entered into for speculative purposes;

(g) Indebtedness of any Subsidiary acquired in connection with any Investment permitted pursuant to Section 7.7(i) or (j); provided that (i) such Indebtedness existed at the time such Person became a Subsidiary and was not incurred in anticipation thereof, (ii) no Person other than such Subsidiary becomes an obligor in respect of such Indebtedness and (iii) the aggregate amount of such Indebtedness (whether or not subsequently repaid) shall constitute usage of the basket provided in Section 7.7(i)(i) or (j)(i), as applicable, unless and until such Subsidiary becomes a Wholly Owned Qualifying Subsidiary Guarantor, at which time such Indebtedness of such Subsidiary shall no longer be permitted to remain outstanding and shall no longer constitute usage of such baskets;

(h) Indebtedness of any Subsidiary to the Borrower; provided that (i) no Person other than such Subsidiary becomes an obligor in respect of such Indebtedness and (ii) the actual outstanding aggregate amount of such Indebtedness shall constitute usage of the basket provided in Section 7.7(i)(i) or (j)(i), as applicable, unless and until such Subsidiary becomes a Wholly Owned Qualifying Subsidiary Guarantor, at which time such Indebtedness of such Subsidiary shall no longer constitute usage of such baskets;

(i) Indebtedness consisting of guaranties of loans made to officers, directors or employees of Holdings, the Borrower or any Subsidiary of the Borrower in an aggregate amount which, when added to the outstanding principal amount of loans and advances made pursuant to Section 7.7(d), shall not exceed $5,000,000 at any one time outstanding;

(j) unsecured trade accounts payable incurred in the ordinary course of business and not more than 120 days past due (but excluding any Indebtedness for borrowed money);

(k) Permitted Borrower Subordinated Indebtedness owing by the Borrower to Holdings; and

(l) additional Indebtedness of the Borrower or any of its Subsidiaries in an aggregate principal amount (for the Borrower and all Subsidiaries) not to exceed $25,000,000 at any one time outstanding.

Notwithstanding anything to the contrary in this Agreement, the Borrower shall not, and shall not permit any of its Subsidiaries to, directly or indirectly, guarantee or otherwise become liable in respect of any Indebtedness or preferred stock of Holdings.

7.3 Liens. Create, incur, assume or suffer to exist any Lien upon any of its property, whether now owned or hereafter acquired, except:

(a) Liens for taxes not yet due or that are being contested in good faith by appropriate proceedings, provided that adequate reserves with respect thereto are maintained on the books of the Borrower or its Subsidiaries, as the case may be, in conformity with GAAP;

(b) carriers', warehousemen's, mechanics', materialmen's, repairmen's or other like Liens arising in the ordinary course of business that secure payments that are not more than 60 days delinquent in accordance with their terms or that are being contested in good faith by appropriate proceedings;

(c) pledges or deposits in connection with workers' compensation, unemployment insurance and other social security legislation and deposits securing liability to insurance carriers under insurance or self-insurance arrangements;

(d) deposits to secure the performance of bids, trade contracts (other than for borrowed money), leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business;

(e) easements, rights-of-way, restrictions and other similar encumbrances that, in the aggregate, are not substantial in amount and that do not in any case materially detract from the value of the property subject thereto or materially interfere with the ordinary conduct of the business of the Borrower or any of its Subsidiaries;

(f) Liens in existence on the date hereof listed on Schedule 7.3(f), securing Indebtedness permitted by Section 7.2(d), provided that no such Lien is spread to cover any additional property after the Closing Date and that the amount of Indebtedness secured thereby is not increased (except to the extent permitted by Section 7.3(o));

(g) Liens securing Indebtedness of the Borrower or any other Subsidiary incurred pursuant to Section 7.2(e) to finance the acquisition of fixed or capital assets, provided that (i) such Liens shall be created substantially simultaneously with the acquisition of such fixed or capital assets, (ii) such Liens do not at any time encumber any property other than the property financed by such Indebtedness and (iii) the amount of Indebtedness secured thereby is not increased;

(h) Liens created pursuant to the Security Documents;

(i) any interest or title of a lessor (including sublessors) under any lease (or sublease) entered into by the Borrower or any other Subsidiary in the ordinary course of its business and covering only the assets so leased;

(j) Liens on the property or assets of a Person which becomes a Subsidiary after the date hereof securing Indebtedness permitted by Section 7.2(g), provided that (i) such Liens existed at the time such Person became a Subsidiary and were not created in anticipation thereof, (ii) any such Lien is not expanded to cover any property or assets of such Person after the time such Person becomes a Subsidiary (other than after acquired title in or on such property and proceeds of the existing collateral in accordance with the instrument creating such Lien), (iii) the amount of Indebtedness secured thereby is not increased, and (iv) neither (x) the aggregate outstanding principal amount of the obligations secured thereby nor (y) the aggregate fair market value (determined as of the date such Lien is incurred) of the assets subject thereto exceeds (as to all relevant Subsidiaries) $20,000,000 at any one time;

(k) licenses, leases or subleases permitted hereunder granted to other Persons in the ordinary course of business not interfering in any material respect in the business of the Borrower or any of its Subsidiaries;

(l) attachment or judgment Liens in respect of judgments or decrees that have been vacated, discharged, stayed or bonded pending appeal within 60 days from the entry thereof and, in addition, attachment or judgment Liens in an aggregate amount outstanding at any one time not in excess of $5,000,000 (not paid or fully covered by insurance as to which the relevant insurance company has acknowledged in writing coverage);

(m) Liens arising from precautionary Uniform Commercial Code financing statement filings with respect to operating leases or consignment arrangements entered into by the Borrower or any of its Subsidiaries in the ordinary course of business;

(n) Liens in favor of a banking institution arising by operation of law encumbering deposits (including the right of set-off) held by such banking institution incurred in the ordinary course of business and that are within the general parameters customary in the banking industry; and

(o) Liens not otherwise permitted by this Section so long as neither (i) the aggregate outstanding principal amount of the obligations secured thereby nor (ii) the aggregate fair market value (determined as of the date such Lien is incurred) of the assets subject thereto exceeds (as to the Borrower and all Subsidiaries) $20,000,000 at any one time.

7.4 Fundamental Changes. Enter into any merger, consolidation or amalgamation, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution), or Dispose of, all or substantially all of its property or business, except that:

(a) any Subsidiary of the Borrower may be merged or consolidated with or into the Borrower (provided that the Borrower shall be the continuing or surviving corporation) or with or into any Wholly Owned Subsidiary Guarantor (provided that the Wholly Owned Subsidiary Guarantor shall be the continuing or surviving corporation and provided, further, that if the merged

or consolidated Subsidiary is a Wholly Owned Qualifying Subsidiary Guarantor, the continuing or surviving corporation must also be a Wholly Owned Qualifying Subsidiary Guarantor);

(b) any Subsidiary of the Borrower may Dispose of any or all of its assets (upon voluntary liquidation or otherwise) to the Borrower or any Wholly Owned Subsidiary Guarantor, provided that if the Subsidiary making such Disposition is a Wholly Owned Qualifying Subsidiary Guarantor, the relevant transferee, if other than the Borrower, must also be a Wholly Owned Qualifying Subsidiary Guarantor; and

(c) so long as no Default or Event of Default has occurred or is continuing or would result therefrom, Holdings may be merged or consolidated with or into another Person (provided that either (i) Holdings is the continuing or surviving entity or (ii) if Holdings is not the continuing or surviving entity, such continuing or surviving entity assumes the obligations of Holdings under the Loan Documents to which it is a party pursuant to an instrument in form and substance reasonably satisfactory to the Administrative Agent and, in connection therewith, the Administrative Agent shall receive such legal opinions, certificates and other documents as it may reasonably request).

7.5 Disposition of Property. Dispose of any of its property, whether now owned or hereafter acquired, or, in the case of any Subsidiary, issue or sell any shares of such Subsidiary's Capital Stock to any Person, except:

(a) the Disposition of obsolete, condemned or worn out property in the ordinary course of business;

(b) the sale of inventory in the ordinary course of business; the Disposition of Cash Equivalents for fair value for cash or other Cash Equivalents; the license of Intellectual Property in the ordinary course of business; and leases or subleases entered into in the ordinary course of business and not materially interfering with the ordinary conduct of business;

(c) Dispositions permitted by Section 7.4(b);

(d) the sale or issuance of any Subsidiary's Capital Stock to the Borrower or any Wholly Owned Subsidiary Guarantor; provided that if the selling or issuing Subsidiary is a Wholly Owned Qualifying Subsidiary Guarantor, the recipient of such Capital Stock, if other than the Borrower, must also be a Wholly Owned Qualifying Subsidiary Guarantor;

(e) the Disposition of the Capital Stock of the GTE JV to GTE Wireless pursuant to the right of first refusal granted to GTE Wireless in the GTE JV Formation Agreement, dated as of November 7, 1999, it being understood that the Net Cash Proceeds of such Disposition shall be applied to prepay the Loans and reduce the Commitments to the extent required by Section 2.9(b);

(f) the designation of the Australian Subsidiary as an Unrestricted Subsidiary and the making of the Australian Subsidiary into a Subsidiary of Holdings, in each case pursuant to the terms of Section 7.20;

(g) the designation of any Specified Non-Wholly Owned Subsidiary as an Unrestricted Subsidiary and the making of any Specified Non-Wholly Owned Subsidiary into a Subsidiary of Holdings, in each case pursuant to the terms of Section 7.20; and

(h) the Disposition of other property having a fair market value not to exceed $50,000,000 in the aggregate for any fiscal year of the Borrower, it being understood that the Net Cash Proceeds of such Dispositions shall be applied to prepay the Loans and reduce the Commitments to the extent required by Section 2.9(b).

7.6 Restricted Payments. Declare or pay any dividend (other than dividends payable solely in common stock of the Person making such dividend) on, or make any payment on account of, or set apart assets for a sinking or other analogous fund for, the purchase, redemption, defeasance, retirement or other acquisition of, any Capital Stock of Holdings, the Borrower or any Subsidiary, whether now or hereafter outstanding, or make any other distribution in respect thereof, either directly or indirectly, whether in cash or property or in obligations of Holdings, the Borrower or any Subsidiary (collectively, "Restricted Payments"), except that:

(a) any Subsidiary may make Restricted Payments to the Borrower or any Wholly Owned Subsidiary Guarantor; provided that if the Subsidiary making such a Restricted Payment is a Wholly Owned Qualifying Subsidiary Guarantor, the recipient of such Restricted Payment, if other than the Borrower, must also be a Wholly Owned Qualifying Subsidiary Guarantor;

(b) so long as no Default or Event of Default shall have occurred and be continuing or would result therefrom (including, on a pro forma basis, pursuant to Section 7.1), the Borrower may pay dividends to Holdings to permit Holdings to purchase Holdings' common stock or common stock options from present or former officers or employees of Holdings, the Borrower or any Subsidiary upon the death, disability or termination of employment of such officer or employee, provided, that the aggregate amount of payments under this paragraph (b) after the date hereof (net of any proceeds received by Holdings and contributed to the Borrower after the date hereof in connection with resales of any common stock or common stock options so purchased) shall not exceed $10,000,000 in any fiscal year of the Borrower or $25,000,000 during the term of this Agreement;

(c) so long as no Default or Event of Default shall have occurred and be continuing or would result therefrom (including, on a pro forma basis, pursuant to Section 7.1), the Borrower may pay dividends to Holdings to permit Holdings to (i) pay corporate overhead expenses incurred in the ordinary course of business not to exceed $17,500,000 in any fiscal year, (ii) pay any taxes that are due and payable by Holdings and the Borrower as part of a consolidated group and (iii) make scheduled interest and dividend payments in respect of Holdings Qualified Obligations;

(d) so long as no Default or Event of Default shall have occurred and be continuing or would result therefrom (including, on a pro forma basis, pursuant to Section 7.1), any Subsidiary of the Borrower may pay dividends to the holders of its common stock; provided that all such dividends shall be made pro rata according to the respective ownership interests in such Subsidiary;

(e) notwithstanding anything to the contrary in this Agreement, the GTE JV may pay dividends to the holders of its Capital Stock; provided that all such dividends shall be made pro rata according to the respective ownership interests in the GTE JV; and

(f) the GTE Distribution may be made.

It is understood that nothing contained in this Section 7.6 shall restrict the ability of Holdings to make Restricted Payments.

7.7 Investments. Make any advance, loan, extension of credit (by way of guaranty or otherwise) or capital contribution to, or purchase any Capital Stock, bonds, notes, debentures or other debt securities of, or any assets constituting a business unit of, or make any other investment in, any Person (all of the foregoing, "Investments"), except:

(a) extensions of trade credit in the ordinary course of business;

(b) Investments in Cash Equivalents;

(c) Guarantee Obligations permitted by Section 7.2;

(d) loans and advances to officers, directors and employees of Holdings, the Borrower or any Subsidiary of the Borrower in the ordinary course of business (including for travel, entertainment and relocation expenses) in an aggregate amount for Holdings, the Borrower or any Subsidiary of the Borrower which, when added to the outstanding principal amount of Indebtedness incurred pursuant to Section 7.2(i), shall not exceed $5,000,000 at any one time outstanding;

(e) Investments in assets useful in the business of the Borrower and its Subsidiaries made by the Borrower or any of its Subsidiaries with the proceeds of any Reinvestment Deferred Amount;

(f) so long as no Default or Event of Default shall have occurred and be continuing or would result therefrom (including, on a pro forma basis, pursuant to Section 7.1), Investments by the Borrower or any of its Subsidiaries in the Borrower or any Person that is or concurrently therewith becomes a Wholly Owned Qualifying Subsidiary Guarantor;

(g) so long as no Default or Event of Default shall have occurred and be continuing or would result therefrom (including, on a pro forma basis, pursuant to Section 7.1), acquisitions by the Borrower or any Wholly Owned Qualifying Subsidiary Guarantor of communications tower facilities;

(h) the acquisitions listed on Schedule 7.7(h);

(i) so long as no Default or Event of Default has occurred and is continuing (including, on a pro forma basis, pursuant to Section 7.1), Investments in any Person that is or concurrently therewith becomes a Subsidiary of the Borrower, in an aggregate amount (net of any return of capital) not to exceed at any time the sum of (i) $50,000,000 and (ii) the amount of cash

contributed by Holdings to the Borrower after the Closing Date in the form of common equity and used by the Borrower solely for such purpose;

(j) in addition to Investments otherwise expressly permitted by this Section, so long as no Default or Event of Default has occurred and is continuing (including, on a pro forma basis, pursuant to Section 7.1), Investments of any type by the Borrower or any of its Subsidiaries in an aggregate amount (net of any return of capital) not to exceed at any time the sum of (i) $125,000,000 and (ii) the amount of cash contributed by Holdings to the Borrower after the Closing Date in the form of common equity and used by the Borrower solely for such purpose;

(k) the Australian Intercompany Loans; and

(l) in addition to Investments otherwise expressly permitted by this Section, with the consent of the Required Lenders, any Investment in any Person that is not or will not concurrently therewith become a Wholly Owned Qualifying Subsidiary Guarantor.

7.8 Certain Payments and Modifications of Certain Agreements.

(a) Make or offer to make any payment, prepayment, repurchase or redemption in respect of, or otherwise optionally or voluntarily defease or segregate funds with respect to, any Permitted Borrower Subordinated Indebtedness other than the payment of such Indebtedness with the proceeds of Revolving Loans.

(b) Amend, modify, waive or otherwise change, or consent or agree to any amendment, modification, waiver or other change to, any of the terms of (i) any Permitted Borrower Subordinated Indebtedness (other than any such amendment, modification, waiver or other change that would extend the maturity or reduce the amount of any payment of principal thereof or reduce the rate or extend any date for payment of interest thereon) or (ii) the agreements governing the GTE JV or the arrangements with Bell South Mobility Inc. (other than any such amendment, modification, waiver or other change that is immaterial to the interests of the Lenders).

7.9 Transactions with Affiliates. Enter into any transaction, including any purchase, sale, lease or exchange of property, the rendering of any service or the payment of any management, advisory or similar fees, with any Affiliate (other than the Borrower or any Wholly Owned Subsidiary Guarantor) unless such transaction is (a) otherwise permitted under this Agreement, (b) in the ordinary course of business of the Borrower or such Subsidiary, as the case may be, and (c) upon fair and reasonable terms no less favorable to the Borrower or such Subsidiary, as the case may be, than it would obtain in a comparable arm's length transaction with a Person that is not an Affiliate.

7.10 Sales and Leasebacks. Enter into any arrangement with any Person providing for the leasing by Holdings, the Borrower or any Subsidiary of real or personal property that has been or is to be sold or transferred by Holdings, the Borrower or such Subsidiary to such Person or to any other Person to whom funds have been or are to be advanced by such Person on the security of such property or rental obligations of Holdings, the Borrower or such Subsidiary.

7.11 Changes in Fiscal Periods. Permit the fiscal year of the Borrower to end on a day other than December 31 or change the Borrower's method of determining fiscal quarters.

7.12 Negative Pledge Clauses. Enter into or suffer to exist or become effective any agreement that prohibits or limits the ability of Holdings, the Borrower or any of its Subsidiaries to create, incur, assume or suffer to exist any Lien upon any of its property or revenues, whether now owned or hereafter acquired, other than (a) this Agreement and the other Loan Documents, (b) any agreements governing any purchase money Liens or Capital Lease Obligations otherwise permitted hereby (in which case, any prohibition or limitation shall only be effective against the assets financed thereby), (c) any agreements governing any Investment in any joint venture (other than a Subsidiary) that limit the ability to grant a security interest in the Capital Stock of such joint venture, (d) customary restrictions entered into in the ordinary course of business with respect to Intellectual Property that limit the ability to grant a security interest in such Intellectual Property, (e) any agreements governing any leasehold interest that limit the ability to grant a security interest in such leasehold interest, (f) restrictions in the formation agreement of the GTE JV or in the organizational documents of any Specified Non-Wholly Owned Subsidiary that limit the ability to grant a security interest in the assets of such Person, (g) the Holdings Debt Agreements and (h) any agreements containing restrictions substantially comparable to those described in clause (g) above and governing any other Indebtedness of Holdings.

7.13 Clauses Restricting Subsidiary Distributions. Enter into or suffer to exist or become effective any consensual encumbrance or restriction on the ability of any Subsidiary of the Borrower to (a) make Restricted Payments in respect of any Capital Stock of such Subsidiary held by, or pay any Indebtedness owed to, the Borrower or any other Subsidiary of the Borrower, (b) make loans or advances to, or other Investments in, the Borrower or any other Subsidiary of the Borrower or (c) transfer any of its assets to the Borrower or any other Subsidiary of the Borrower, except for such encumbrances or restrictions existing under or by reason of (i) any restrictions existing under the Loan Documents, (ii) any restrictions with respect to a Subsidiary imposed pursuant to an agreement that has been entered into in connection with the Disposition of all or substantially all of the Capital Stock or assets of such Subsidiary, (iii) any restrictions imposed pursuant to the Holdings Debt Agreements and (iv) any restrictions substantially comparable to the restrictions permitted by clause (iii) above and imposed pursuant to any agreement governing any other Indebtedness of Holdings.

7.14 Lines of Business. Enter into any business, either directly or through any Subsidiary, except for those businesses in which the Borrower and its Subsidiaries are engaged on the date of this Agreement or that are reasonably related thereto.

7.15 Holding Company Status. In the case of Holdings, (a) conduct, transact or otherwise engage in, or commit to conduct, transact or otherwise engage in, any business or operations other than those incidental to its ownership of Capital Stock described in clause (b) below, (b) own, lease, manage or otherwise operate any properties or assets other than cash, Cash Equivalents and the Capital Stock of the Borrower or any other Person (so long as, in the case of any such Person that is a Subsidiary of Holdings, such Subsidiary is either an Unrestricted Holdings Subsidiary or an Unrestricted Subsidiary SPV (other than Crown Castle do Brasil Ltda., Crown Castle Mexico and Crown Castle Ireland Limited, which shall within a reasonable time period after the Closing Date (which time period shall in no event be longer than 60 days) become Subsidiaries of the Borrower)) and (c) permit any Subsidiary of any Unrestricted Subsidiary SPV not to qualify as an Unrestricted Subsidiary at any time. It is understood and agreed that this Section 7.15 shall not prevent Holdings from (x) performing management and

administrative functions of the type performed by it as of the Closing Date or (y) incurring Indebtedness or issuing Capital Stock.

7.16 Communications Tower Facilities. Hold any communications tower facilities, whether now owned or hereafter acquired, other than in a Tower SPV.

7.17 Unrestricted Subsidiary Capital Stock; GTE JV Capital Stock. (a) Hold any of the Capital Stock of an Unrestricted Subsidiary other than in an Unrestricted Subsidiary SPV.

(b) Hold any of the Capital Stock of the GTE JV owned directly or indirectly by the Borrower other than in Crown Castle GT Corp.

7.18 GTE JV and Crown Castle GT Corp.; Specified Non-Wholly Owned Subsidiaries, Tower SPVs and Unrestricted Subsidiary SPVs; Australian Subsidiary. (a) Permit the GTE JV or Crown Castle GT Corp. to incur or suffer to exist any Indebtedness or create, incur, assume or suffer to exist any Lien upon any of its property, whether now owned or hereafter acquired.

(b) Permit any Specified Non-Wholly Owned Subsidiary (or any Subsidiary thereof), Tower SPV or Unrestricted Subsidiary SPV to incur or suffer to exist any Indebtedness or create, incur, assume or suffer to exist any Lien upon any of its property, whether now owned or hereafter acquired, in each case other than pursuant to the Loan Documents to which it is a party.

(c) Permit the direct parent of the Australian Subsidiary, the Australian Subsidiary (or any Subsidiary thereof) to incur or suffer to exist any Indebtedness or create, incur, assume or suffer to exist any Lien upon any of its property, whether now owned or hereafter acquired, in each case other than pursuant to the Loan Documents to which it is a party.

7.19 Designation of Unrestricted Subsidiaries as Subsidiaries. If a Default or Event of Default shall have occurred and be continuing or would result therefrom (including, on a pro forma basis, pursuant to Section 7.1), designate an Unrestricted Subsidiary as a Subsidiary. Notwithstanding anything to the contrary contained in this Agreement, so long as no Default or Event of Default shall have occurred and be continuing or would result therefrom (including, on a pro forma basis, pursuant to Section 7.1), the Borrower may designate an Unrestricted Subsidiary as a Subsidiary.

7.20 Designation of Subsidiaries as Unrestricted Subsidiaries. Other than in accordance with this Section 7.20, designate a Subsidiary as an Unrestricted Subsidiary other than concurrently with the creation or acquisition thereof. Notwithstanding anything to the contrary contained in this Agreement, so long as (a) no Default or Event of Default would result therefrom (including, on a pro forma basis, pursuant to Section 7.1) and (b) the Australian Subsidiary has, concurrently with such designation, paid to the Borrower in full in cash an amount equal to the greater of (i) the Australian Intercompany Loans and (ii) the amount of Consolidated EBITDA attributable to the Australian Subsidiary for the most recent period of four consecutive fiscal quarters for which the relevant financial information is available multiplied by the then applicable Consolidated Leverage Ratio required by Section 7.1(a), the Borrower may designate each of the Australian Subsidiary and its direct parent as an Unrestricted Subsidiary to the extent each otherwise qualifies as an Unrestricted Subsidiary. Notwithstanding anything to the contrary contained in this Agreement, so long as (a) no Default or Event of Default would result therefrom (including, on a pro forma basis, pursuant to Section 7.1) and (b) the relevant Specified Non-Wholly

Owned Subsidiary has, concurrently with such designation, paid to the Borrower or the relevant Wholly Owned Qualifying Subsidiary Guarantor, as applicable, in full in cash an amount equal to the greater of (i) the obligations under its Specified Intercompany Note and (ii) the amount of Consolidated EBITDA attributable to such Specified Non-Wholly Owned Subsidiary for the most recent period of four consecutive fiscal quarters for which the relevant financial information is available pursuant to clause (x) of the definition of "Consolidated EBITDA" multiplied by 7.50, the Borrower may designate such Specified Non-Wholly Owned Subsidiary as an Unrestricted Subsidiary to the extent it otherwise qualifies as an Unrestricted Subsidiary. If any Subsidiary is designated as an Unrestricted Subsidiary pursuant to either of the preceding sentences, (i) the Liens on the assets of such Subsidiary created by the Security Documents to which such Subsidiary is a party will be released and all obligations (other than those expressly stated to survive such termination) of such Subsidiary under such Security Documents shall terminate, all without delivery of any instrument or performance of any act by any Person and (ii) such Subsidiary may become a Subsidiary of Holdings. In addition, if the Australian Subsidiary is designated as an Unrestricted Subsidiary pursuant to this Section 7.20, any pledge of its Capital Stock then in existence other than by the Borrower or any of its Affiliates will be released without delivery of any instrument or performance of any act by any Person.

SECTION 8. EVENTS OF DEFAULT

If any of the following events shall occur and be continuing:

(a) the Borrower shall fail to pay any principal of any Loan or Reimbursement Obligation when due in accordance with the terms hereof; or the Borrower shall fail to pay any interest on any Loan or Reimbursement Obligation, or any other amount payable hereunder or under any other Loan Document, within three days after any such interest or other amount becomes due in accordance with the terms hereof; or

(b) any representation or warranty made or deemed made by any Loan Party herein or in any other Loan Document or that is contained in any certificate, document or financial or other statement furnished by it at any time under or in connection with this Agreement or any such other Loan Document shall prove to have been inaccurate in any material respect on or as of the date made or deemed made; or

(c) any Loan Party shall default in the observance or performance of any agreement contained in clause (i) of Section 6.4(a) (with respect to Holdings and the Borrower only), Section 6.7(a), Section 6.11 or Section 7 of this Agreement or Sections 5.4 and 5.5(b) of the Guarantee and Collateral Agreement; or

(d) any Loan Party shall default in the observance or performance of any other agreement contained in this Agreement or any other Loan Document (other than as provided in paragraphs (a) through (c) of this Section), and such default shall continue unremedied for a period of 30 days after notice to the Borrower from the Administrative Agent or the Required Lenders; or

(e) Holdings, the Borrower or any of their respective Subsidiaries shall (i) default in making any payment of any principal of any Indebtedness (including any Guarantee Obligation, but excluding the Loans) on the scheduled or original due date with respect thereto (giving effect

to any applicable grace periods); or (ii) default in making any payment of any interest on any such Indebtedness beyond the period of grace, if any, provided in the instrument or agreement under which such Indebtedness was created; or (iii) default in the observance or performance of any other agreement or condition relating to any such Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause, or to permit the holder or beneficiary of such Indebtedness (or a trustee or agent on behalf of such holder or beneficiary) to cause, with the giving of notice if required, such Indebtedness to become due prior to its stated maturity or (in the case of any such Indebtedness constituting a Guarantee Obligation) to become payable; provided, that a default, event or condition described in clause (i), (ii) or (iii) of this paragraph (e) shall not at any time constitute an Event of Default unless, at such time, one or more defaults, events or conditions of the type described in clauses (i), (ii) and (iii) of this paragraph (e) shall have occurred and be continuing with respect to Indebtedness the outstanding principal amount of which exceeds in the aggregate $10,000,000; or

(f) (i) Holdings, the Borrower or any of their respective Subsidiaries shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian, conservator or other similar official for it or for all or any substantial part of its assets, or Holdings, the Borrower or any of their respective Subsidiaries shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against Holdings, the Borrower or any of their respective Subsidiaries any case, proceeding or other action of a nature referred to in clause (i) above that (A) results in the entry of an order for relief or any such adjudication or appointment or (B) remains undismissed, undischarged or unbonded for a period of 60 days; or (iii) there shall be commenced against Holdings, the Borrower or any of their respective Subsidiaries any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets that results in the entry of an order for any such relief that shall not have been vacated, discharged, or stayed or bonded pending appeal within 60 days from the entry thereof; or (iv) Holdings, the Borrower or any of their respective Subsidiaries shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii), or (iii) above; or (v) Holdings, the Borrower or any of their respective Subsidiaries shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due; or

(g) (i) any Person shall engage in any "prohibited transaction" (as defined in Section 406 of ERISA or Section 4975 of the Code) involving any Plan, (ii) any "accumulated funding deficiency" (as defined in Section 302 of ERISA), whether or not waived, shall exist with respect to any Plan or any Lien in favor of the PBGC or a Plan shall arise on the assets of the Borrower or any Commonly Controlled Entity, (iii) a Reportable Event shall occur with respect to, or proceedings shall commence to have a trustee appointed, or a trustee shall be appointed pursuant to Section 4042(b) of ERISA, to administer or to terminate, any Single Employer Plan, which Reportable Event or commencement of proceedings or appointment of a trustee is reasonably likely to result in the termination of such Plan for purposes of Title IV of ERISA, (iv) any Single Employer Plan shall terminate for purposes of Title IV of ERISA, (v) the Borrower or any

Commonly Controlled Entity shall incur any liability in connection with a withdrawal from, or the Insolvency or Reorganization of, a Multiemployer Plan or (vi) any other event or condition shall occur or exist with respect to a Plan; and in each case in clauses (i) through (vi) above, such event or condition, together with all other such events or conditions, if any, could, in the reasonable opinion of the Required Lenders, reasonably be expected to have a Material Adverse Effect; or

(h) one or more judgments or decrees shall be entered against Holdings, the Borrower or any of their respective Subsidiaries involving in the aggregate a liability (to the extent not paid or fully covered by insurance as to which the relevant insurance company has acknowledged coverage) of $10,000,000 or more, and all such judgments or decrees shall not have been vacated, discharged, stayed or bonded pending appeal within 30 days from the entry thereof; or

(i) any of the Security Documents shall cease, for any reason, to be in full force and effect, or any Loan Party or any Affiliate of any Loan Party shall so assert, or any Lien created by any of the Security Documents shall cease to be enforceable and of the same effect and priority purported to be created thereby; or

(j) a Change of Control shall occur; then, and in any such event, (A) if such event is an Event of Default specified in clause (i) or (ii) of paragraph (f) above with respect to the Borrower, automatically the Commitments shall immediately terminate and the Loans hereunder (with accrued interest thereon) and all other amounts owing under this Agreement and the other Loan Documents (including all amounts of L/C Obligations, whether or not the beneficiaries of the then outstanding Letters of Credit shall have presented the documents required thereunder) shall immediately become due and payable, and (B) if such event is any other Event of Default, either or both of the following actions may be taken: (i) with the consent of the Required Lenders, the Administrative Agent may, or upon the request of the Required Lenders, the Administrative Agent shall, by notice to the Borrower declare the Tranche A Term Commitments and the Revolving Commitments to be terminated forthwith, whereupon the Tranche A Term Commitments and the Revolving Commitments shall immediately terminate; and (ii) with the consent of the Required Lenders, the Administrative Agent may, or upon the request of the Required Lenders, the Administrative Agent shall, by notice to the Borrower, declare the Loans hereunder (with accrued interest thereon) and all other amounts owing under this Agreement and the other Loan Documents (including all amounts of L/C Obligations, whether or not the beneficiaries of the then outstanding Letters of Credit shall have presented the documents required thereunder) to be due and payable forthwith, whereupon the same shall immediately become due and payable. With respect to all Letters of Credit with respect to which presentment for honor shall not have occurred at the time of an acceleration pursuant to this paragraph, the Borrower shall at such time deposit in a cash collateral account opened by the Administrative Agent an amount equal to the aggregate then undrawn and unexpired amount of such Letters of Credit. Amounts held in such cash collateral account shall be applied by the Administrative Agent to the payment of drafts drawn under such Letters of Credit, and the unused portion thereof after all such Letters of Credit shall have expired or been fully drawn upon, if any, shall be applied to repay other obligations of the Borrower hereunder and under the other Loan Documents. After all such Letters of Credit shall have expired or been fully drawn upon, all Reimbursement Obligations shall have been satisfied and all other obligations of the Borrower hereunder and under the other Loan Documents shall have been paid in full, the balance, if any, in such cash collateral account shall be returned to the Borrower (or such other

Person as may be lawfully entitled thereto). Except as expressly provided above in this Section, presentment, demand, protest and all other notices of any kind are hereby expressly waived by the Borrower.

SECTION 9. THE AGENTS

9.1 Appointment. Each Lender hereby irrevocably designates and appoints the Administrative Agent as the agent of such Lender under this Agreement and the other Loan Documents, and each such Lender irrevocably authorizes the Administrative Agent, in such capacity, to take such action on its behalf under the provisions of this Agreement and the other Loan Documents and to exercise such powers and perform such duties as are expressly delegated to the Administrative Agent by the terms of this Agreement and the other Loan Documents, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Agreement, the Administrative Agent shall not have any duties or responsibilities, except those expressly set forth herein, or any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Loan Document or otherwise exist against the Administrative Agent.

9.2 Delegation of Duties. The Administrative Agent may execute any of its duties under this Agreement and the other Loan Documents by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Administrative Agent shall not be responsible for the negligence or misconduct of any agents or attorneys in-fact selected by it with reasonable care.

9.3 Exculpatory Provisions. Neither any Agent nor any of their respective officers, directors, employees, agents, attorneys-in-fact or affiliates shall be (i) liable for any action lawfully taken or omitted to be taken by it or such Person under or in connection with this Agreement or any other Loan Document (except to the extent that any of the foregoing are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from its or such Person's own gross negligence or willful misconduct) or (ii) responsible in any manner to any of the Lenders for any recitals, statements, representations or warranties made by any Loan Party or any officer thereof contained in this Agreement or any other Loan Document or in any certificate, report, statement or other document referred to or provided for in, or received by the Agents under or in connection with, this Agreement or any other Loan Document or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Loan Document or for any failure of any Loan Party a party thereto to perform its obligations hereunder or thereunder. The Agents shall not be under any obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Loan Document, or to inspect the properties, books or records of any Loan Party.

9.4 Reliance by Administrative Agent. The Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon any instrument, writing, resolution, notice, consent, certificate, affidavit, letter, telecopy, telex or teletype message, statement, order or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including counsel to Holdings or the Borrower), independent accountants and other experts selected by the Administrative Agent. The Administrative Agent may deem and treat the payee of any promissory note evidencing Loans as the

owner thereof for all purposes unless a written notice of assignment, negotiation or transfer thereof shall have been filed with the Administrative Agent. The Administrative Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Loan Document unless it shall first receive such advice or concurrence of the Required Lenders (or, if so specified by this Agreement, all Lenders) as it deems appropriate or it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense that may be incurred by it by reason of taking or continuing to take any such action. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement and the other Loan Documents in accordance with a request of the Required Lenders (or, if so specified by this Agreement, all Lenders), and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders and all future holders of the Loans.

9.5 Notice of Default. The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default hereunder unless the Administrative Agent has received notice from a Lender, Holdings or the Borrower referring to this Agreement, describing such Default or Event of Default and stating that such notice is a "notice of default". In the event that the Administrative Agent receives such a notice, the Administrative Agent shall give notice thereof to the Lenders. The Administrative Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Required Lenders (or, if so specified by this Agreement, all Lenders); provided that unless and until the Administrative Agent shall have received such directions, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable in the best interests of the Lenders.

9.6 Non-Reliance on Agents and Other Lenders. Each Lender expressly acknowledges that neither the Agents nor any of their respective officers, directors, employees, agents, attorneys-in-fact or affiliates have made any representations or warranties to it and that no act by any Agent hereafter taken, including any review of the affairs of a Loan Party or any affiliate of a Loan Party, shall be deemed to constitute any representation or warranty by any Agent to any Lender. Each Lender represents to the Agents that it has, independently and without reliance upon any Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, financial and other condition and creditworthiness of the Loan Parties and their affiliates and made its own decision to make its Loans hereunder and enter into this Agreement. Each Lender also represents that it will, independently and without reliance upon any Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Loan Documents, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of the Loan Parties and their affiliates. Except for notices, reports and other documents expressly required to be furnished to the Lenders by the Administrative Agent hereunder, the Administrative Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, operations, property, condition (financial or otherwise), prospects or creditworthiness of any Loan Party or any affiliate of a Loan Party that may come into the possession of the Administrative Agent or any of its officers, directors, employees, agents, attorneys-in-fact or affiliates.

9.7 Indemnification. The Lenders agree to indemnify each Agent in its capacity as such (to the extent not reimbursed by Holdings or the Borrower and without limiting the obligation of Holdings or the Borrower to do so), ratably according to their respective Aggregate Exposure Percentages in effect on the date on which indemnification is sought under this Section (or, if indemnification is sought after the date upon which the Commitments shall have terminated and the Loans shall have been paid in full, ratably in accordance with such Aggregate Exposure Percentages immediately prior to such date), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever that may at any time (whether before or after the payment of the Loans) be imposed on, incurred by or asserted against such Agent in any way relating to or arising out of, the Commitments, this Agreement, any of the other Loan Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by such Agent under or in connection with any of the foregoing; provided that no Lender shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements that are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from such Agent's gross negligence or willful misconduct. The agreements in this Section shall survive the payment of the Loans and all other amounts payable hereunder.

9.8 Agent in Its Individual Capacity. Each Agent and its affiliates may make loans to, accept deposits from and generally engage in any kind of business with any Loan Party as though such Agent were not an Agent. With respect to its Loans made or renewed by it and with respect to any Letter of Credit issued or participated in by it, each Agent shall have the same rights and powers under this Agreement and the other Loan Documents as any Lender and may exercise the same as though it were not an Agent, and the terms "Lender" and "Lenders" shall include each Agent in its individual capacity.

9.9 Successor Administrative Agent. The Administrative Agent may resign as Administrative Agent upon 10 days' notice to the Lenders and the Borrower. If the Administrative Agent shall resign as Administrative Agent under this Agreement and the other Loan Documents, then the Required Lenders shall appoint from among the Lenders a successor agent for the Lenders, which successor agent shall (unless an Event of Default under Section 8(a) or Section 8(f) with respect to the Borrower shall have occurred and be continuing) be subject to approval by the Borrower (which approval shall not be unreasonably withheld or delayed), whereupon such successor agent shall succeed to the rights, powers and duties of the Administrative Agent, and the term "Administrative Agent" shall mean such successor agent effective upon such appointment and approval, and the former Administrative Agent's rights, powers and duties as Administrative Agent shall be terminated, without any other or further act or deed on the part of such former Administrative Agent or any of the parties to this Agreement or any holders of the Loans. If no successor agent has accepted appointment as Administrative Agent by the date that is 10 days following a retiring Administrative Agent's notice of resignation, the retiring Administrative Agent's resignation shall nevertheless thereupon become effective and the Lenders shall assume and perform all of the duties of the Administrative Agent hereunder until such time, if any, as the Required Lenders appoint a successor agent as provided for above. After any retiring Administrative Agent's resignation as Administrative Agent, the provisions of this Section 9 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement and the other Loan Documents.

9.10 Documentation Agent and Syndication Agent. Neither the Documentation Agent nor the Syndication Agents shall have any duties or responsibilities hereunder in its capacity as such.

SECTION 10. MISCELLANEOUS

10.1 Amendments and Waivers. Neither this Agreement, any other Loan Document, nor any terms hereof or thereof may be amended, supplemented or modified except in accordance with the provisions of this Section 10.1. The Required Lenders and each Loan Party party to the relevant Loan Document may, or, with the written consent of the Required Lenders, the Administrative Agent and each Loan Party party to the relevant Loan Document may, from time to time, (a) enter into written amendments, supplements or modifications hereto and to the other Loan Documents for the purpose of adding any provisions to this Agreement or the other Loan Documents or changing in any manner the rights of the Lenders or of the Loan Parties hereunder or thereunder or (b) waive, on such terms and conditions as the Required Lenders or the Administrative Agent, as the case may be, may specify in such instrument, any of the requirements of this Agreement or the other Loan Documents or any Default or Event of Default and its consequences; provided, however, that no such waiver and no such amendment, supplement or modification shall (i) forgive or reduce the principal amount or extend the final scheduled date of maturity of any Loan, extend the scheduled date of any amortization payment in respect of any Term Loan, extend the scheduled date of any reduction of the Revolving Commitments, reduce the stated rate of any interest or fee payable hereunder (except (x) in connection with the waiver of applicability of any post-default increase in interest rates, which waiver shall be effective with the consent of the Majority Facility Lenders of each adversely affected Facility and (y) that any amendment or modification of defined terms used in the financial covenants in this Agreement shall not constitute a reduction in the rate of interest or fees for purposes of this clause (i)) or extend the scheduled date of any payment thereof, or increase the amount or extend the expiration date of any Lender's Commitment, in each case without the written consent of each Lender directly affected thereby; (ii) eliminate or reduce the voting rights of any Lender under this Section 10.1 without the written consent of such Lender; (iii) reduce any percentage specified in the definition of Required Lenders, consent to the assignment or transfer by the Borrower of any of its rights and obligations under this Agreement and the other Loan Documents, release all or substantially all of the Collateral or release all or substantially all of the Subsidiary Guarantors from their obligations under the Guarantee and Collateral Agreement, in each case without the written consent of all Lenders; (iv) amend, modify or waive any condition precedent to any extension of credit under any Facility set forth in Section 5.2 (including in connection with any waiver of an existing Default or Event of Default) without the written consent of the Majority Facility Lenders with respect to such Facility; provided that a waiver of any such condition precedent relating to an existing Default or Event of Default under Section 8(a) shall require the written consent of all Lenders; (v) reduce the amount of Net Cash Proceeds or Excess Cash Flow required to be applied to prepay Loans under this Agreement without the written consent of the Majority Facility Lenders with respect to each adversely affected Facility; (vi) reduce the percentage specified in the definition of Majority Facility Lenders with respect to any Facility without the written consent of all Lenders under such Facility; (vii) amend, modify or waive any provision of Section 9 without the written consent of the Administrative Agent and any other Agent affected thereby; (viii) amend, modify or waive any provision of Section 2.4 or 2.5 without the written consent of the Swingline Lender; (ix) amend, modify or waive any provision of Section 3 without the written consent of each affected Issuing Lender or (x) amend, modify or waive any provision of Section 2.15(a), (b) or (c) without the written consent of each Lender directly affected thereby. Any such waiver and any such amendment, supplement or modification shall apply equally to each of the Lenders and shall be binding upon the Loan Parties, the Lenders, the Administrative Agent and all future

holders of the Loans. In the case of any waiver, the Loan Parties, the Lenders and the Administrative Agent shall be restored to their former position and rights hereunder and under the other Loan Documents, and any Default or Event of Default waived shall be deemed to be cured and not continuing; but no such waiver shall extend to any subsequent or other Default or Event of Default, or impair any right consequent thereon.

For the avoidance of doubt, this Agreement may be amended (or amended and restated) with the written consent of the Required Lenders, the Administrative Agent and the Borrower (a) to add one or more additional credit facilities to this Agreement and to permit the extensions of credit from time to time outstanding thereunder and the accrued interest and fees in respect thereof (collectively, the "Additional Extensions of Credit") to share ratably in the benefits of this Agreement and the other Loan Documents with the Term Loans and Revolving Extensions of Credit and the accrued interest and fees in respect thereof and (b) to include appropriately the Lenders holding such credit facilities in any determination of the Required Lenders and Majority Facility Lenders; provided, that no such amendment shall permit the Additional Extensions of Credit to share ratably with or with preference to the Term Loans in the application of mandatory prepayments without the consent of the Majority Facility Lenders with respect to each Facility (other than the Revolving Facility) or otherwise to share ratably with or with preference to the Revolving Extensions of Credit without the consent of the Majority Facility Lenders with respect to the Revolving Facility.

10.2 Notices. All notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing (including by telecopy), and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered, or three Business Days after being deposited in the mail, postage prepaid, or, in the case of telecopy notice, when received, addressed as follows in the case of Holdings, the Borrower and the Administrative Agent, and as set forth in an administrative questionnaire delivered to the Administrative Agent in the case of the Lenders, or to such other address as may be hereafter notified by the respective parties hereto:

Holdings:	Crown Castle International Corp. 510 Bering Drive, Suite 500 Houston, Texas 77057 Attention: Treasurer and General Counsel Telecopy: (713) 570-3150 Telephone: (713) 570-3000
The Borrower:	Crown Castle Operating Company 510 Bering Drive, Suite 500 Houston, Texas 77057 Attention: Treasurer and General Counsel Telecopy: (713) 570-3150 Telephone: (713) 570-3000
The Administrative Agent:	The Chase Manhattan Bank 270 Park Avenue New York, New York 10017 Attention: Constance Coleman Telecopy: (212) 270-1263

Telephone: (212) 270-0372

provided that any notice, request or demand to or upon the Administrative Agent or the Lenders shall not be effective until received.

10.3 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of the Administrative Agent or any Lender, any right, remedy, power or privilege hereunder or under the other Loan Documents shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

10.4 Survival of Representations and Warranties. All representations and warranties made hereunder, in the other Loan Documents and in any document, certificate or statement delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Agreement and the making of the Loans and other extensions of credit hereunder.

10.5 Payment of Expenses and Taxes. The Borrower agrees (a) to pay or reimburse the Administrative Agent for all its out-of-pocket costs and expenses incurred in connection with the development, preparation and execution of, and any amendment, supplement or modification to, this Agreement and the other Loan Documents and any other documents prepared in connection herewith or therewith, and the consummation and administration of the transactions contemplated hereby and thereby, including the reasonable fees and disbursements of counsel to the Administrative Agent and filing and recording fees and expenses, with statements with respect to the foregoing to be submitted to the Borrower prior to the Closing Date (in the case of amounts to be paid on the Closing Date) and from time to time thereafter on a quarterly basis or such other periodic basis as the Administrative Agent shall deem appropriate, (b) to pay or reimburse each Lender and the Administrative Agent for all its costs and expenses incurred in connection with the enforcement or preservation of any rights under this Agreement, the other Loan Documents and any such other documents, including the fees and disbursements of counsel to each Lender and of counsel to the Administrative Agent, (c) to pay, indemnify, and hold each Lender and the Administrative Agent harmless from, any and all recording and filing fees and any and all liabilities with respect to, or resulting from any delay in paying, stamp, excise and other taxes, if any, that may be payable or determined to be payable in connection with the execution and delivery of, or consummation or administration of any of the transactions contemplated by, or any amendment, supplement or modification of, or any waiver or consent under or in respect of, this Agreement, the other Loan Documents and any such other documents, and (d) to pay, indemnify, and hold each Lender and the Administrative Agent and their respective officers, directors, employees, affiliates, agents, trustees and investment advisers and controlling persons (each, an "Indemnitee") harmless from and against any and all other liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever with respect to the execution, delivery, enforcement, performance and administration of this Agreement, the other Loan Documents and any such other documents, including any of the foregoing relating to the use of proceeds of the Loans or the violation of, noncompliance with or liability under, any Environmental Law applicable to the operations of Holdings, the Borrower any of its Subsidiaries or any of the Properties and the reasonable fees and expenses of legal counsel in connection with claims, actions or proceedings by any Indemnitee against any Loan Party under any Loan Document (all the foregoing in this clause (d), collectively, the "Indemnified Liabilities"),

provided, that the Borrower shall have no obligation hereunder to any Indemnitee with respect to Indemnified Liabilities to the extent such Indemnified Liabilities are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of such Indemnitee. Without limiting the foregoing, and to the extent permitted by applicable law, the Borrower agrees not to assert and to cause its Subsidiaries not to assert, and hereby waives and agrees to cause its Subsidiaries to waive, all rights for contribution or any other rights of recovery with respect to all claims, demands, penalties, fines, liabilities, settlements, damages, costs and expenses of whatever kind or nature, under or related to Environmental Laws, that any of them might have by statute or otherwise against any Indemnitee. All amounts due under this Section 10.5 shall be payable not later than 10 days after written demand therefor. Statements payable by the Borrower pursuant to this Section 10.5 shall be submitted to Treasurer and General Counsel (Telephone No. (713) 570-3000) (Telecopy No. (713) 570-3150), at the address of the Borrower set forth in Section 10.2, or to such other Person or address as may be hereafter designated by the Borrower in a written notice to the Administrative Agent. The agreements in this Section 10.5 shall survive repayment of the Loans and all other amounts payable hereunder.

It is understood and agreed that, to the extent not precluded by a conflict of interest, each Indemnitee shall endeavor to work cooperatively with the Borrower with a view to minimizing the legal and other expenses associated with any defense and any potential settlement or judgment. To the extent reasonably practicable and not disadvantageous to any Indemnitee, it is anticipated that a single counsel may be used. Settlement of any claim or litigation involving any material indemnified amount will require the approval of the Borrower (not to be unreasonably withheld).

10.6 Successors and Assigns; Participations and Assignments. (a) This Agreement shall be binding upon and inure to the benefit of Holdings, the Borrower, the Lenders, the Administrative Agent, all future holders of the Loans and their respective successors and assigns, except that the Borrower may not assign or transfer any of its rights or obligations under this Agreement without the prior written consent of each Lender.

(b) Any Lender other than any Conduit Lender may, without the consent of the Borrower, in accordance with applicable law, at any time sell to one or more banks, financial institutions or other entities (each, a "Participant") participating interests in any Loan owing to such Lender, any Commitment of such Lender or any other interest of such Lender hereunder and under the other Loan Documents. In the event of any such sale by a Lender of a participating interest to a Participant, such Lender's obligations under this Agreement to the other parties to this Agreement shall remain unchanged, such Lender shall remain solely responsible for the performance thereof, such Lender shall remain the holder of any such Loan for all purposes under this Agreement and the other Loan Documents, and the Borrower and the Administrative Agent shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement and the other Loan Documents. In no event shall any Participant under any such participation have any right to approve any amendment or waiver of any provision of any Loan Document, or any consent to any departure by any Loan Party therefrom, except to the extent that such amendment, waiver or consent would reduce the principal of, or interest on, the Loans or any fees payable hereunder, or postpone the date of the final maturity of the Loans, in each case to the extent subject to such participation. The Borrower agrees that if amounts outstanding under this Agreement and the Loans are due or unpaid, or shall have been declared or shall have become due and payable upon the occurrence of an Event of Default, each Participant shall, to the maximum extent permitted by applicable law, be deemed to have the right of

setoff in respect of its participating interest in amounts owing under this Agreement to the same extent as if the amount of its participating interest were owing directly to it as a Lender under this Agreement, provided that, in purchasing such participating interest, such Participant shall be deemed to have agreed to share with the Lenders the proceeds thereof as provided in Section 10.7(a) as fully as if it were a Lender hereunder. The Borrower also agrees that each Participant shall be entitled to the benefits of Sections 2.16, 2.17 and 2.18 with respect to its participation in the Commitments and the Loans outstanding from time to time as if it was a Lender; provided that, in the case of Section 2.17, such Participant shall have complied with the requirements of said Section and provided, further, that no Participant shall be entitled to receive any greater amount pursuant to any such Section than the transferor Lender would have been entitled to receive in respect of the amount of the participation transferred by such transferor Lender to such Participant had no such transfer occurred.

(c) Any Lender other than any Conduit Lender (an "Assignor") may, in accordance with applicable law, at any time and from time to time assign to any Lender, any affiliate of any Lender or any Approved Fund (unless, in the case of assignments of Revolving Commitments, such Lender, affiliate or Approved Fund is not already a holder of Revolving Commitments) or, with the consent of the Borrower and the Administrative Agent (which, in each case, shall not be unreasonably withheld or delayed), to an additional bank, financial institution or other entity (an "Assignee") all or any part of its rights and obligations under this Agreement and the other Loan Documents pursuant to an Assignment and Acceptance, executed by such Assignee, such Assignor and any other Person whose consent is required pursuant to this paragraph, and delivered to the Administrative Agent for its acceptance and recording in the Register; provided that no such assignment to an Assignee (other than any Lender, any affiliate of any Lender or any Approved Fund) shall be in an aggregate principal amount of less than $1,000,000 (or, in the case of the Tranche A Term Facility and the Revolving Facility, $5,000,000) (other than in the case of an assignment of all of a Lender's interests under this Agreement), unless otherwise agreed by the Borrower and the Administrative Agent. For purposes of the proviso contained in the preceding sentence, the amount described therein shall be aggregated in respect of each Lender and its related Approved Funds, if any. Any such assignment need not be ratable as among the Facilities. Upon such execution, delivery, acceptance and recording, from and after the effective date determined pursuant to such Assignment and Acceptance, (x) the Assignee thereunder shall be a party hereto and, to the extent provided in such Assignment and Acceptance, have the rights and obligations of a Lender hereunder with a Commitment and/or Loans as set forth therein, and (y) the Assignor thereunder shall, to the extent provided in such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all of an Assignor's rights and obligations under this Agreement, such Assignor shall cease to be a party hereto). Notwithstanding any provision of this Section 10.6, the consent of the Borrower shall not be required for any assignment that occurs when an Event of Default shall have occurred and be continuing with respect to the Borrower. Notwithstanding the foregoing, any Conduit Lender may assign at any time to its designating Lender hereunder without the consent of the Borrower or the Administrative Agent any or all of the Loans it may have funded hereunder and pursuant to its designation agreement and without regard to the limitations set forth in the first sentence of this Section 10.6(c).

(d) The Administrative Agent shall, on behalf of the Borrower, maintain at its address referred to in Section 10.2 a copy of each Assignment and Acceptance delivered to it and a register (the "Register") for the recordation of the names and addresses of the Lenders and the Commitment of, and the principal amount of the Loans owing to, each Lender from time to time. The entries in the Register shall be conclusive, in the absence of manifest error, and the Borrower, each other Loan Party, the

Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register as the owner of the Loans and any promissory note evidencing Loans recorded therein for all purposes of this Agreement. Any assignment of any Loan, whether or not evidenced by a promissory note (other than any assignment to a Federal Reserve Bank pursuant to Section 10.6(f)), shall be effective only upon appropriate entries with respect thereto being made in the Register (and each promissory note shall expressly so provide). Any assignment or transfer of all or part of a Loan evidenced by a promissory note shall be registered on the Register only upon surrender for registration of assignment or transfer of the promissory note evidencing such Loan, accompanied by a duly executed Assignment and Acceptance, and thereupon one or more new promissory notes shall be issued to the designated Assignee.

(e) Upon its receipt of an Assignment and Acceptance executed by an Assignor, an Assignee and any other Person whose consent is required by Section 10.6(c), together with payment to the Administrative Agent of a registration and processing fee of $3,500 (except that no such registration and processing fee shall be payable in the case of an Assignee which is an Approved Fund of the relevant Assignor), the Administrative Agent shall (i) promptly accept such Assignment and Acceptance and (ii) record the information contained therein in the Register on the effective date determined pursuant thereto.

(f) For avoidance of doubt, the parties to this Agreement acknowledge that the provisions of this Section 10.6 concerning assignments relate only to absolute assignments and that such provisions do not prohibit assignments creating security interests, including any pledge or assignment by a Lender to any Federal Reserve Bank in accordance with applicable law.

(g) The Borrower, upon receipt of written notice from the relevant Lender, agrees to issue a promissory note to any Lender requiring such note to facilitate transactions of the type described in paragraph (f) above.

(h) Each of Holdings, the Borrower, each Lender and the Administrative Agent hereby confirms that it will not institute against a Conduit Lender or join any other Person in instituting against a Conduit Lender any bankruptcy, reorganization, arrangement, insolvency or liquidation proceeding under any state bankruptcy or similar law, for one year and one day after the payment in full of the latest maturing commercial paper note issued by such Conduit Lender; provided, however, that each Lender designating any Conduit Lender hereby agrees to indemnify, save and hold harmless each other party hereto for any loss, cost, damage or expense arising out of its inability to institute such a proceeding against such Conduit Lender during such period of forbearance.

10.7 Adjustments; Set-off. (a) Except to the extent that this Agreement expressly provides for payments to be allocated to a particular Lender or to the Lenders under a particular Facility, if any Lender (a "Benefitted Lender") shall, at any time after the Loans and other amounts payable hereunder shall immediately become due and payable pursuant to Section 8, receive any payment of all or part of the Obligations owing to it, or receive any collateral in respect thereof (whether voluntarily or involuntarily, by set-off, pursuant to events or proceedings of the nature referred to in Section 8(f), or otherwise), in a greater proportion than any such payment to or collateral received by any other Lender, if any, in respect of the Obligations owing to such other Lender, such Benefitted Lender shall purchase for cash from the other Lenders a participating interest in such portion of the Obligations owing to each such other Lender, or shall provide such other Lenders with the benefits of any such collateral, as shall be necessary to cause such Benefitted Lender to share the excess payment or benefits of such collateral ratably with each of the Lenders; provided, however, that if all or any portion of such excess payment or

benefits is thereafter recovered from such Benefitted Lender, such purchase shall be rescinded, and the purchase price and benefits returned, to the extent of such recovery, but without interest.

(b) In addition to any rights and remedies of the Lenders provided by law, each Lender shall have the right, without prior notice to Holdings or the Borrower, any such notice being expressly waived by Holdings and the Borrower to the extent permitted by applicable law, upon any amount becoming due and payable by Holdings or the Borrower hereunder (whether at the stated maturity, by acceleration or otherwise), to set off and appropriate and apply against such amount any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by such Lender or any branch or agency thereof to or for the credit or the account of Holdings or the Borrower, as the case may be. Each Lender agrees promptly to notify the Borrower and the Administrative Agent after any such setoff and application made by such Lender, provided that the failure to give such notice shall not affect the validity of such setoff and application.

10.8 Counterparts. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed signature page of this Agreement by facsimile transmission shall be effective as delivery of a manually executed counterpart hereof. A set of the copies of this Agreement signed by all the parties shall be lodged with the Borrower and the Administrative Agent.

10.9 Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

10.10 Integration. This Agreement and the other Loan Documents represent the entire agreement of Holdings, the Borrower, the Administrative Agent and the Lenders with respect to the subject matter hereof and thereof, and there are no promises, undertakings, representations or warranties by the Administrative Agent or any Lender relative to the subject matter hereof not expressly set forth or referred to herein or in the other Loan Documents.

10.11 GOVERNING LAW. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

10.12 Submission To Jurisdiction; Waivers. Each of Holdings and the Borrower hereby irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement and the other Loan Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the

courts of the State of New York, the courts of the United States for the Southern District of New York, and appellate courts from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to Holdings or the Borrower, as the case may be at its address set forth in Section 10.2 or at such other address of which the Administrative Agent shall have been notified pursuant thereto;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section any special, exemplary, punitive or consequential damages.

10.13 Acknowledgements. Each of Holdings and the Borrower hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Loan Documents;

(b) neither the Administrative Agent nor any Lender has any fiduciary relationship with or duty to Holdings or the Borrower arising out of or in connection with this Agreement or any of the other Loan Documents, and the relationship between Administrative Agent and Lenders, on one hand, and Holdings and the Borrower, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and

(c) no joint venture is created hereby or by the other Loan Documents or otherwise exists by virtue of the transactions contemplated hereby among the Lenders or among Holdings, the Borrower and the Lenders.

10.14 Releases of Guarantees and Liens. (a) Notwithstanding anything to the contrary contained herein or in any other Loan Document, the Administrative Agent is hereby irrevocably authorized by each Lender (without requirement of notice to or consent of any Lender except as expressly required by Section 10.1) to take any action requested by the Borrower having the effect of releasing any Collateral or Guarantee Obligations (i) to the extent necessary to permit consummation of any transaction not prohibited by any Loan Document or that has been consented to in accordance with Section 10.1 or (ii) under the circumstances described in paragraph (b) below.

(b) At such time as the Loans, the Reimbursement Obligations and the other obligations under the Loan Documents (other than obligations under or in respect of Hedge Agreements) shall have

been paid in full, the Commitments have been terminated and no Letters of Credit shall be outstanding, the Collateral shall be released from the Liens created by the Security Documents, and the Security Documents and all obligations (other than those expressly stated to survive such termination) of the Administrative Agent and each Loan Party under the Security Documents shall terminate, all without delivery of any instrument or performance of any act by any Person.

10.15 Confidentiality. Each of the Administrative Agent and each Lender agrees to keep confidential all non-public information provided to it by any Loan Party pursuant to this Agreement that is designated by such Loan Party as confidential; provided that nothing herein shall prevent the Administrative Agent or any Lender from disclosing any such information (a) to the Administrative Agent, any other Lender, any affiliate of any Lender or any Approved Fund, (b) to any (i) actual or prospective Transferee, (ii) Hedge Agreement counterparty or (iii) direct or indirect contractual counterparty in swap agreements (or such contractual counterparty's professional advisor), in each case that agrees to comply with the provisions of this Section, (c) to its employees, directors, agents, attorneys, accountants and other professional advisors or those of any of its affiliates, (d) upon the request or demand of any Governmental Authority, (e) in response to any order of any court or other Governmental Authority or as may otherwise be required pursuant to any Requirement of Law, (f) if requested or required to do so in connection with any litigation or similar proceeding, (g) that has been publicly disclosed, (h) to the National Association of Insurance Commissioners or any similar organization or any nationally recognized rating agency that requires access to information about a Lender's investment portfolio in connection with ratings issued with respect to such Lender, or (i) in connection with the exercise of any remedy hereunder or under any other Loan Document.

10.16 WAIVERS OF JURY TRIAL. HOLDINGS, THE BORROWER, THE ADMINISTRATIVE AGENT AND THE LENDERS HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.

CROWN CASTLE INTERNATIONAL CORP.

By:

Name:
Title:

CROWN CASTLE OPERATING COMPANY

By:

Name:
Title:

THE CHASE MANHATTAN BANK, as
Administrative Agent and as a Lender

By:

Name:
Title:

CREDIT SUISSE FIRST BOSTON CORPORATION,
as Syndication Agent

By:

Name:
Title:

CREDIT SUISSE FIRST BOSTON, as a Lender

By:

Name:
Title:

KEY CORPORATE CAPITAL INC., as Syndication Agent and as a Lender

By:

Name:
Title:

THE BANK OF NOVA SCOTIA, as Documentation Agent and as a Lender

By:

Name:
Title:

BANK OF NEW YORK

By:

Name:
Title:

PNC BANK, NATIONAL ASSOCIATION

By:

Name:
Title:

ROYAL BANK OF CANADA

By:

Name:
Title:

UNION BANK OF CALIFORNIA

By:

Name:
Title:

BANK OF MONTREAL

By:

Name:
Title:

CREDIT LYONNAIS NEW YORK BRANCH

By:

Name:
Title:

COOPERATIVE CENTRALE RAIFFEISEN-
BOERENLEEN BANK B.A., "RABOBANK
INTERNATIONAL", NEW YORK BRANCH

By:

Name:
Title:

By:

Name:
Title:

ROYAL BANK OF SCOTLAND

By:

Name:
Title:

MEESPIERSON CAPITAL CORP.

By:

Name:
Title:

By:

Name:
Title:

COBANK, ACB

By:

Name:
Title:

CREDIT INDUSTRIEL ET COMMERCIAL

By:

Name:
Title:

SUNTRUST BANKS, INC.

By:

Name:
Title:

WACHOVIA BANK

By:

Name:
Title:

FLEETBOSTON

By:

Name:
Title:

IBM CREDIT CORPORATION

By:

Name:
Title:

ARAB BANKING CORPORATION

By:

Name:
Title:

THE CIT GROUP/EQUIPMENT FINANCING INC.

By:

Name:
Title:

DAI ICHI KANGYO BANK

By:

Name:
Title:

ERSTE BANK

By:

Name:
Title:

MERCANTILE BANK NATIONAL ASSOCIATION

By:

Name:
Title:

THE MITSUBISHI TRUST AND BANKING CORPORATION

By:

Name:
Title:

SUMMIT BANK

By:

Name:
Title:

NUVEEN FLOATING RATE FUND

By: Nuveen Senior Loan Asset Management Inc.

By:

Name:
Title:

NUVEEN SENIOR INCOME FUND

By: Nuveen Senior Loan Asset Management Inc.

By:

Name:
Title:

GOLDMAN SACHS CREDIT PARTNERS L.P.

By:

Name:
Title:

EATON VANCE MANAGEMENT INC.

By:

Name:
Title:

MERRILL LYNCH

By:

Name:
Title:

VAN KAMPEN AMERICAN CAPITAL

By:

Name:
Title:

FRANKLIN FLOATING RATE TRUST

By:

Name:
Title:

PACIFIC INVESTMENT MANAGEMENT

By:

Name:
Title:

ING CAPITAL ADVISORS

By:

Name:
Title:

PILGRIM PRIME RATE TRUST

By:

Name:
Title:

MORGAN STANLEY DEAN WITTER PRIME
INCOME TRUST

By:

Name:
Title:

STANFIELD CAPITAL PARTNERS

By:

Name:
Title:

FIRST DOMINION CAPITAL

By:

Name:
Title:

APPALOOSA MANAGEMENT, L.P.

By:

Name:
Title:

SUNAMERICA CORPORATE FINANCE

By:

Name:
Title:

APOLLO ADVISORS

By:

Name:

Title:

TRUST COMPANY OF THE WEST

By:

Name:

Title:

MASSACHUSETTS MUTUAL LIFE

By:

Name:

Title:

PUTNAM INVESTMENTS

By:

Name:

Title:

BAIN

By:

Name:

Title:

METROPOLITAN PROPERTY AND CASUALTY
INSURANCE COMPANY

By:

Name:

Title:

OAK HILL

By:

Name:

Title:

INVESCO

By:

Name:

Title:

CITIBANK GLOBAL ASSET MANAGEMENT

By:

Name:

Title:

ARCHIMEDES FUNDING II-LTD
By: ING Capital Advisors LLC, as
Collateral Manager

By:

Name:

Title:

ARCHIMEDES FUNDING III-LTD
By: ING Capital Advisors LLC, as
Collateral Manager

By:

Name:

Title:

SWISS LIFE US RAINBOW LIMITED
By: ING Capital Advisors LLC, as
Investment Advisor

By:

Name:

Title:

OCTAGON CREDIT INVESTORS

By:

Name:

Title:

KEMPER FLOATING RATE FUND

By:

Name:

Title:

PPM AMERICA INCORPORATED

By:

Name:

Title:

FC CBP LTD. (BANK OF MONTREAL)

By:

Name:

Title:

THE TRAVELERS INSURANCE COMPANY

By:

Name:

Title:

TRAVELERS CORPORATE LOAN FUND INC.
By: Travelers Asset Management
International Company LLC

By:

Name:

Title:

ALLSTATE INSURANCE

By:

Name:

Title:

CARAVELLE ADVISORS LLC

By:

Name:

Title:

INSTITUTIONAL DEBT MANAGEMENT

By:

Name:

Title:

SHENKMAN CAPITAL

By:

Name:

Title:

STEIN ROE FARNHAM, INC.

By:

Name:

Title:

STERLING ASSET MANAGEMENT

By:

Name:

Title:

CANADIAN INPERIAL BANK OF COMMERCE

By:

Name:

Title:

HELLER FINANCIAL

By:

Name:

Title:

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION

By:

Name:

Title:

OPPENHEIMER SENIOR FLOATING RATE FUND

By:

Name:

Title:

KZH RIVERSIDE LLC

By:

Name:

Title:

KZH SOLEIL LLC

By:

Name:

Title:

KZH SOLEIL-2 LLC

By:

Name:

Title:

KZH CRESCENT LLC

By:

Name:

Title:

KZH CRESCENT-3 LLC

By:

Name:

Title:

KZH LANGDALE LLC

By:

Name:

Title:

BALANCED HIGH YIELD FUND II

By:

Name:

Title:

IMPERIAL CREDIT INDUSTRIES

By:

Name:

Title:

KATONAH CAPITAL

By:

Name:

Title:

NOMURA

By:

Name:

Title:

KZH ING-1 LLC

By:

Name:

Title:

KZH ING-2 LLC

By:

Name:

Title:

KZH ING-3 LLC

By:

Name:

Title:

KZH III LLC

By:

Name:

Title:

KZH SHOSHONE LLC

By:

Name:

Title:

KZH STERLING LLC

By:

Name:

Title:

GALAXY CLO 1999-1, LTD

By:

Name:

Title:

EXHIBIT 10.37

CONFORMED COPY

DATE: 23RD DECEMBER, 1999

CROWN CASTLE UK LIMITED
AS BORROWER

CROWN CASTLE UK HOLDINGS LIMITED
AND
MILLENNIUM COMMUNICATIONS LIMITED
AS GUARANTORS

THE LENDERS LISTED IN SCHEDULE 1

CREDIT SUISSE FIRST BOSTON
AS AGENT

LOAN AMENDMENT AGREEMENT

SLAUGHTER AND MAY
35 BASINGHALL STREET
LONDON
EC2V 5DB

(AGB/HZM)

LOAN AMENDMENT AGREEMENT

DATE: 23rd December, 1999

PARTIES

1. CROWN CASTLE UK LIMITED (formerly known as Castle Transmission International Ltd.), a company incorporated in England (number 3196207), of Warwick Technology Park, Gallows Hill, Heathcote Lane, Warwick CV34 6TN, as borrower

2. CROWN CASTLE UK HOLDINGS LIMITED (formerly known as Castle Transmission Services (Holdings) Ltd.), a company incorporated in England (number 3242381), of Warwick Technology Park, Gallows Hill, Heathcote Lane, Warwick CV34 6TN and MILLENNIUM COMMUNICATIONS LIMITED, a company incorporated in England (number 2903056), of Warwick Technology Park, Gallows Hill, Heathcote Lane, Warwick CV34 6TN, as guarantors

3. CREDIT SUISSE FIRST BOSTON, for itself and as agent for the Lenders (the "Agent")

BACKGROUND

(A) On 28th February, 1997 the loan agreement was entered into between the Borrower, the Parent, certain lenders, the Agent and others and under its terms the lenders agreed to provide term and revolving loan facilities of (Pounds)162,500,000 to the Borrower. On 21st May, 1997 the parties to the loan agreement at that date amended the loan agreement so that the lenders under it agreed to provide revolving loan facilities of (Pounds)64,000,000 to the Borrower. These loan facilities are guaranteed by the Parent and secured by charges granted by the Borrower and the Parent. With effect from 27th October, 1998 Millennium acceded to the loan agreement as an additional guarantor and acceded to the Debenture as an additional chargor. The loan agreement was further amended on 18th June, 1999, amongst other things, from a (Pounds)64,000,000 revolving loan facility to a (Pounds)150,000,000 term and revolving loan facility.

(B) At the request of the Borrower the parties have agreed to amend the terms of the Loan Agreement on the terms of this Agreement.

(C) The Agent has been authorised by an Instructing Group to agree to the amendments contained in this Agreement.

The parties agree as follows:

1. INTERPRETATION

1.1 Loan Agreement

The interpretation provisions contained in Part I of the Loan Agreement are deemed to be incorporated expressly in this Agreement, and apply to this Agreement accordingly.

1.2 Definition

In this Agreement "Loan Agreement" means the loan agreement dated 28th February, 1997 as amended on 21st May, 1997, acceded to by Millennium with effect from 27th October, 1998 and as further amended on 18th June, 1999 made between the Borrower, the Parent, Millennium, the Lenders, Credit Suisse First Boston and others under which the Lenders have agreed to provide (Pounds)150,000,000 term and revolving loan facilities to the Borrower.

1.3 Scope

This Agreement is supplemental to and amends the Loan Agreement.

2. AMENDMENT OF THE LOAN AGREEMENT

The parties agree that the Loan Agreement shall be amended with effect from the date of this Agreement so that the reference in each of Clauses 20.1(EE), 21.1(L)(iii)(b) and 21.1(M)(iii)(b) to "16th July, 1999" shall be replaced by a reference in each of these Clauses to "31st December, 1999".

3. MISCELLANEOUS

3.1 Law

This Agreement is to be governed by and construed in accordance with English law.

3.2 Counterparts

There may be several signed copies of this Agreement. There is intended to be a single Agreement and each signed copy is a counterpart of that Agreement.

SIGNATURES

Borrower

CROWN CASTLE UK LIMITED

By:

Parent and Guarantor

CROWN CASTLE UK HOLDINGS LIMITED

By:

Additional Guarantor

MILLENNIUM COMMUNICATIONS LIMITED

By:

Agent

CREDIT SUISSE FIRST BOSTON

By:

EXHIBIT 11

CROWN CASTLE INTERNATIONAL CORP.

COMPUTATION OF NET LOSS
PER COMMON SHARE
(IN THOUSANDS OF DOLLARS, EXCEPT PER SHARE AMOUNTS)

	YEARS ENDED DECEMBER 31,				
	1995	1996	1997	1998	1999
Loss before cumulative effect of change in accounting principle	$ (21)	$ (957)	$(11,942)	$(37,775)	$ (94,347)
Dividends on preferred stock	--	--	(2,199)	(5,411)	(28,881)
Loss before cumulative effect of change in accounting principle applicable to common stock for basic and diluted computations	(21)	(957)	(14,141)	(43,186)	(123,228)
Cumulative effect of change in accounting principle	--	--	--	--	(2,414)
Net loss applicable to common stock for basic and diluted computations	$ (21)	$ (957)	$(14,141)	$(43,186)	$(125,642)
Weighted-average number of common shares outstanding during the period for basic and diluted computations (in thousands)	3,316	3,503	6,238	42,518	131,466
Per common share--basic and diluted:					
Loss before cumulative effect of change in accounting principle	$ (0.01)	$ (0.27)	$ (2.27)	$ (1.02)	$ (0.94)
Cumulative effect of change in accounting principle	--	--	--	--	(0.02)
Net loss	$ (0.01)	$ (0.27)	$ (2.27)	$ (1.02)	$ (0.96)

EXHIBIT 12

CROWN CASTLE INTERNATIONAL CORP.
COMPUTATION OF RATIOS OF EARNINGS TO FIXED CHARGES AND
EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS
(DOLLARS IN THOUSANDS)

	YEARS ENDED DECEMBER 31,				
	1995	1996	1997	1998	1999
Computation of Earnings:					
Income (loss) before income taxes, minority interests and cumulative effect of change in accounting principle	$ (21)	$ (947)	$(11,893)	$(35,747)	$(91,316)
Add:					
Fixed charges (as computed below)	1,214	1,912	9,825	32,296	126,675
Equity in losses (earnings) of unconsolidated affiliate	--	--	1,138	(2,055)	--
	$1,193	$ 965	$ (930)	$ (5,506)	$ 35,359
Computation of Fixed Charges and Combined Fixed Charges and Preferred Stock Dividends:					
Interest expense	$1,101	$ 1,748	$ 7,095	$ 11,179	$ 60,971
Amortization of deferred financing costs and discount on long-term debt	36	55	2,159	17,910	49,937
Interest component of operating lease expense	77	109	571	3,207	15,767
Fixed charges	1,214	1,912	9,825	32,296	126,675
Preferred stock dividends	--	--	2,199	5,411	28,881
Combined fixed charges and preferred stock dividends	$1,214	$ 1,912	$ 12,024	$ 37,707	155,556
Ratio of Earnings to Fixed Charges	--	--	--	--	--
Deficiency of Earnings to Cover Fixed Charges	$ 21	$ 947	$ 10,755	$ 37,802	$ 91,316
Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends	--	--	--	--	--
Deficiency of Earnings to Cover Combined Fixed Charges and Preferred Stock Dividends	$ 21	$ 947	$ 12,954	$ 43,213	$120,197

EXHIBIT 21

CROWN CASTLE INTERNATIONAL CORP. SUBSIDIARIES

Crown Castle Operating Company (f/k/a Crown Castle USA Holdings Company), a Delaware corporation

Crown Communication Inc., a Delaware corporation (d/b/a Crown Communications, CrownCom)

Crown Castle USA Inc. (f/k/a Crown Network Systems, Inc.), a Pennsylvania corporation

Crown Castle PT Inc., a Delaware corporation

Crown Castle South Inc., a Delaware corporation

Crown Castle GT Corp., a Delaware corporation

Crown Castle GT Holding Company LLC, a Delaware limited liability company

Crown Castle International LLC, a Delaware limited liability company

Crown Castle Australia Limited, an Australian limited liability company

CCAL Towers Pty Ltd, an Australian limited liability company

Crown Castle UK Holding Corp., a Delaware corporation

Crown Castle UK Holdings Limited (f/k/a Castle Transmission Services (Holdings) Ltd.), an England and Wales company (unrestricted)

Crown Castle UK Limited (f/k/a Castle Transmission International Ltd.), an England and Wales company

Crown Castle do Brasil Ltda, a Brazilian limited liability company

Crown Castle Investment Corp., a Delaware corporation (unrestricted)

CCA Investment Corp., a Delaware corporation

Crown Castle Atlantic Holding Company LLC, a Delaware limited liability company

Crown Castle Investment Corp. II, a Delaware corporation (unrestricted)

EXHIBIT 23

Independent Auditors' Consent

The Board of Directors
Crown Castle International Corp.:

We consent to incorporation by reference in the registration statement (No. 333-67379) on Form S-8, the registration statement (No. 333-83395) on Form S-3, and the registration statement (No. 333-94821) on Form S-3 of Crown Castle International Corp. of our reports dated February 22, 2000, relating to the consolidated balance sheets of Crown Castle International Corp. and subsidiaries as of December 31, 1999 and 1998, and the related consolidated statements of operations and comprehensive loss, cash flows, and stockholders' equity (deficit) for each of the years in the three-year period ended December 31, 1999, and all related schedules, which reports appear in the December 31, 1999, annual report on Form 10-K of Crown Castle International Corp.

KPMG LLP

Houston, Texas
March 27, 2000

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This schedule contains summary financial information extracted from the Company's consolidated balance sheet and consolidated statement of operations and is qualified in its entirety by reference to such consolidated financial statements together with the related footnotes thereto.

1,000
U.S. DOLLARS

YEAR	
DEC-31-1999	
JAN-01-1999	
DEC-31-1999	
1	
549,328	
0	
77,508	
3,218	
19,178	
662,045	
2,587,574	
119,473	
3,836,650	
131,281	
1,542,343	
422,923	
0	
1,574	
1,616,173	
3,836,650	
0	
345,759	
0	
156,748	
187,150	
0	
110,908	
(91,316)	
275	
(94,347)	
0	
0	
(2,414)	
(96,761)	
(0.96)	
(0.96)	