

REGISTRATION NO. 333-57283

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

AMENDMENT NO. 2

TO
FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

CROWN CASTLE INTERNATIONAL CORP.
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE
(STATE OR OTHER JURISDICTION
OF INCORPORATION OR
ORGANIZATION)

4899
(PRIMARY STANDARD
INDUSTRIAL
CLASSIFICATION NUMBER)

76-0470458
(I.R.S. EMPLOYER
IDENTIFICATION NUMBER)

510 BERING DRIVE
SUITE 500
HOUSTON, TEXAS 77057
(713) 570-3000
(ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF
REGISTRANT'S PRINCIPAL EXECUTIVE OFFICES)

MR. CHARLES C. GREEN, III
EXECUTIVE VICE PRESIDENT
AND CHIEF FINANCIAL OFFICER
CROWN CASTLE INTERNATIONAL CORP.

510 BERING DRIVE
SUITE 500
HOUSTON, TEXAS 77057
(713) 570-3000
(NAME, ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE,
OF AGENT FOR SERVICE)

COPIES TO:

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CRAVATH, SWAINE & MOORE
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NEW YORK, NEW YORK 10019

KIRK A. DAVENPORT, ESQ.
LATHAM & WATKINS
885 THIRD AVENUE
NEW YORK, NEW YORK 10022

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If the delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box.

CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS OF SECURITIES TO BE	AMOUNT TO BE	PROPOSED MAXIMUM OFFERING PRICE	PROPOSED MAXIMUM AGGREGATE	AMOUNT OF
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REGISTERED	REGISTERED(1)	PER SHARE(2)	OFFERING PRICE(2)	REGISTRATION FEE(3)
Common Stock \$.01 par value.....	35,937,500	\$19.00	\$682,812,500	\$112,930

- (1) Includes 4,687,500 shares of Common Stock that may be purchased by the U.S. Underwriters to cover over-allotments.
- (2) Estimated solely for the purposes of calculating the amount of the registration fee pursuant to Rule 457(a) promulgated under the Securities Act of 1933.
- (3) Total fee is \$201,430 of which \$88,500 has previously been paid.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933, OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

+-----+
 +INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. A +
 +REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE +
 +SECURITIES AND EXCHANGE COMMISSION. THESE SECURITIES MAY NOT BE SOLD NOR MAY +
 +OFFERS TO BUY BE ACCEPTED PRIOR TO THE TIME THE REGISTRATION STATEMENT +
 +BECOMES EFFECTIVE. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR +
 +THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THESE +
 +SECURITIES IN ANY STATE IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE +
 +UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF +
 +ANY SUCH STATE. +
 +-----+

PROSPECTUS Subject to Completion, dated July 28, 1998

31,250,000 SHARES

LOGO
 CROWN CASTLE INTERNATIONAL CORP.
 COMMON STOCK

Of the 31,250,000 shares of Common Stock, par value \$.01 per share (the "Common Stock"), offered hereby, 27,500,000 shares are being sold by Crown Castle International Corp. ("CCIC" or the "Company"), and 3,750,000 shares are being sold by a stockholder of the Company. In addition, certain other stockholders of the Company have granted the U.S. Underwriters an option to purchase shares of Common Stock solely to cover over-allotments, if any. See "Principal and Selling Stockholders". Of the 31,250,000 shares of Common Stock being offered, 25,000,000 shares are being offered initially in the United States and Canada (the "U.S. Offering") by the U.S. Underwriters and 6,250,000 shares are being concurrently offered outside the United States and Canada (the "International Offering") by the International Managers (together with the U.S. Underwriters, the "Underwriters"). The U.S. Offering and the International Offering, including the application of the net proceeds therefrom, are collectively referred to as the "Offering".

Pursuant to a Share Exchange Agreement dated April 24, 1998, (i) all shareholders of Castle Transmission Services (Holdings) Ltd ("CTSH") (other than the Company, TeleDiffusion de France International S.A. ("Tdf") and Digital Future Investments B.V., which is an affiliate of Tdf ("DFI")) will exchange their shares of capital stock of CTSH for shares of Common Stock of the Company and (ii) DFI will exchange its shares of capital stock of CTSH for shares of Class A Common Stock, par value \$.01 per share (the "Class A Common Stock"), of the Company. The closing of the Offering is conditioned upon the concurrent consummation of such exchanges and certain other transactions. See "The Roll-Up".

The Company's common stock has been designated into two classes, consisting of Common Stock and Class A Common Stock. Under the Company's Restated Certificate of Incorporation (the "Certificate of Incorporation"), with respect to matters on which the holders of the Company's common stock have the right to vote, stockholder approval generally will require the affirmative vote of the holders of a majority of the voting power of the Company, with the holders of the Common Stock and the Class A Common Stock voting together as a single class. However, certain specified actions will require the approval of the holders of a majority of the Class A Common Stock. In addition, the holders of the Class A Common Stock, voting as a separate class, will have the right to elect up to two members of the Company's Board of Directors and will not vote in the election of directors by the holders of the Company's other voting stock entitled to vote in the election of directors. See "The Roll-Up" and "Description of Capital Stock".

Prior to the Offering, there has been no public market for the Common Stock. It is currently estimated that the initial public offering price per share will be between \$17.00 and \$19.00. For information relating to the factors that will be considered in determining the initial public offering price, see "Underwriting". The Common Stock has been approved for listing on The Nasdaq Stock Market's National Market ("NNM") under the symbol "TWRS".

SEE "RISK FACTORS" BEGINNING ON PAGE 17 HEREIN FOR CERTAIN FACTORS THAT SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION

TO THE CONTRARY IS A CRIMINAL OFFENSE.

	Price to Public	Underwriting Discounts and Commissions(1)	Proceeds to Company(2)	Proceeds to Selling Stockholders
Per Share.....	\$	\$	\$	\$
Total(3).....	\$	\$	\$	\$

- (1) The Company and the Selling Stockholders have agreed to indemnify the Underwriters against certain liabilities, including liabilities under the Securities Act of 1933. See "Underwriting".
- (2) Before deducting expenses payable by the Company estimated to be \$.
- (3) Certain Selling Stockholders have granted the U.S. Underwriters a 30-day option to purchase up to an aggregate of 4,687,500 additional shares of Common Stock on the same terms and conditions as set forth herein, solely to cover over-allotments, if any. If such option is exercised in full, the total Price to Public, Underwriting Discounts and Commissions and Proceeds to Selling Stockholders will be , and , respectively. See "Underwriting".

The shares of Common Stock offered by this Prospectus are offered by the U.S. Underwriters subject to prior sale, to withdrawal, cancellation, or modification of the offer without notice, to delivery to and acceptance by the U.S. Underwriters and to certain further conditions. It is expected that delivery of the shares will be made at the offices of Lehman Brothers Inc., New York, New York, on or about , 1998.

LEHMAN BROTHERS
CREDIT SUISSE FIRST BOSTON
GOLDMAN, SACHS & CO.
SALOMON SMITH BARNEY
, 1998

CERTAIN PERSONS PARTICIPATING IN THE OFFERING MAY ENGAGE IN TRANSACTIONS THAT STABILIZE, MAINTAIN OR OTHERWISE AFFECT THE PRICE OF THE COMMON STOCK, INCLUDING STABILIZING BIDS, SYNDICATE COVERING TRANSACTIONS OR THE IMPOSITION OF PENALTY BIDS. FOR A DISCUSSION OF THESE ACTIVITIES, SEE "UNDERWRITING".

[PHOTO OF TOWER]

CTSH publishes its consolidated financial statements in pounds sterling. In this Prospectus, references to "pounds sterling", "(Pounds)", "pence" or "p" are to U.K. currency and references to "U.S. dollars", "U.S.\$" or "\$" are to U.S. currency. For the convenience of the reader, this Prospectus contains translations of certain pound sterling amounts into U.S. dollars at specified rates, or, if not so specified, at the noon buying rate in New York City for cable transfers in pounds sterling as certified for customs purposes by the Federal Reserve Bank of New York (the "Noon Buying Rate") on March 31, 1998, of (Pounds)1.00 = \$1.6765. No representation is made that the pound sterling amounts have been, could have been or could be converted into U.S. dollars at the rates indicated or any other rates. On June 30, 1998, the Noon Buying Rate was (Pounds)1.00 = \$1.6695.

Crown Castle International Corp.
U.S. Communications Site Footprints

[Graphic -- Map of U.S. Communication Sites]

- * Owned Tower Sites
- ** Managed Tower Sites
- *** Revenue Producing Rooftop Sites (1)

PROSPECTUS SUMMARY

The following summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information and financial statements included elsewhere in this Prospectus. Unless otherwise indicated, the information in this Prospectus assumes that the Underwriters' over-allotment option will not be exercised. Unless the context otherwise indicates, the terms "Company" and "CCIC" each refer to the business conducted by Crown Castle International Corp. and its subsidiaries (including CCI and CTI), "CCI" refers to the business conducted by the Company through Crown Communication Inc., "Crown Business" and "Crown" each refer to the business conducted by Crown Communications, Crown Network Systems, Inc., Crown Mobile Systems, Inc. and their affiliates prior to their acquisition by CCIC and "CTI" refers to the business conducted by Castle Transmission Services (Holdings) Ltd ("CTSH") and its wholly owned subsidiary, Castle Transmission International Ltd. Immediately prior to the Offering and the Exchange (as defined), each outstanding share of the Company's Existing Class A Common Stock (as defined), Existing Class B Common Stock (as defined) and Existing Preferred Stock (as defined) will be converted into or reclassified as shares of Common Stock (collectively, the "Conversions"). Unless otherwise indicated, all information in this Prospectus (i) gives effect to the Conversions, (ii) gives effect, following the Conversions, to a five-for-one stock split of the Common Stock (the "Stock Split") and (iii) gives effect to the Exchange. See "Capitalization" and "The Roll-Up".

THE COMPANY

The Company is a leading U.S. and international provider of wireless communications and broadcast transmission infrastructure and related services. The Company owns, operates and manages towers, rooftop sites and broadcast transmission networks, and provides a full range of complementary services including network design and site selection, site acquisition, site development and construction, antenna installation and network management and maintenance. The Company has 19 years of experience in the ownership, leasing and management of wireless communications sites and a 75-year history of broadcast transmission and network management. Based on its industry position and experience, the Company believes it is positioned to capitalize on global growth opportunities arising from (i) the expansion of existing networks and the introduction of new networks in the wireless communications industry, (ii) the consolidation of tower ownership generally, including the transfer of infrastructure ownership from major wireless communications carriers to independent infrastructure providers, (iii) the ongoing privatization of state-run broadcast transmission networks around the world and (iv) the widespread introduction of digital transmission technology in the broadcasting industry. For the year ended December 31, 1997 and the three months ended March 31, 1998, the Company had pro forma revenues of \$180.9 million and \$45.9 million, respectively.

The Company's site rental business involves leasing antenna space to customers on its owned and managed towers and rooftop sites. The Company generally receives fees for installing a customer's equipment and antennas on a tower and also receives monthly rental payments from customers under site leases that typically range in term from three to five years. The Company's major site rental customers include Aerial Communications, American Paging, AT&T Wireless, Bell Atlantic Mobile, BellSouth Mobility, Motorola, Nextel, PageNet and Sprint PCS in the United States and Cellnet, National Transcommunications Limited, One2One, Orange Personal Communications and Vodafone in the United Kingdom.

The Company's broadcast transmission business includes both the transmission of analog and digital television and radio broadcasts and the construction of new multiple tenant broadcast towers. In the United Kingdom, the Company provides analog transmission services for two national television services, seven national radio services and 37 local radio stations through its network of 3,462 transmitters. These services are provided under long-term contracts with the British Broadcasting Corporation (the "BBC") and two national commercial radio companies. In addition, the Company has long-term contracts to provide digital transmission services to the BBC and British Digital Broadcasting Limited ("BDB"), which together are the holders of four of the six multiplexes for digital terrestrial television broadcasting throughout the United Kingdom. In the United States, the Company plans to build new multiple tenant broadcast towers in locations where additional tower capacity is required to accommodate digital transmission equipment and analog transmission equipment displaced from existing towers.

The Company has developed, maintains and deploys primarily for its own use extensive wireless communications and broadcast transmission network design and radio frequency engineering expertise, as well as site acquisition, site development and construction and antenna installation capabilities. The Company has a team of over 300 engineers with state-of-the-art wireless communications and broadcast transmission network design and radio frequency engineering expertise. The Company plans to leverage its technical expertise and operational experience to enter into build-to-suit and purchase contracts with, and to enter into joint ventures to own and operate the wireless communications infrastructure of, various wireless communications carriers around the world. The Company believes the primary criteria of such carriers in selecting a company to construct, own or operate their wireless communications infrastructure will be the company's capability to maintain the integrity of their networks, including their transmission signals. Therefore, the Company believes that those companies with a proven track record of providing network design and site selection, site acquisition, site development and construction and antenna installation ("end-to-end services") will be best positioned to successfully acquire access to such wireless communications infrastructure.

As of April 30, 1998, the Company owned or managed 1,211 towers and 70 revenue producing rooftop sites. In addition, the Company had 1,217 rooftop sites under management throughout the United States that were not revenue producing but were available for leasing to customers and, in the United Kingdom, the Company had 54 revenue producing rooftop sites that were occupied by the Company's transmitters but were not available for leasing to customers. The Company's major tower footprints consist of 752 owned and managed towers located across the United Kingdom, 196 owned and managed towers located in western Pennsylvania (primarily in and around the greater Pittsburgh area), 181 owned and managed towers located in the southwestern United States (primarily in Texas), 14 owned towers located on mountaintops across Puerto Rico and 22 owned towers along I-95 in North Carolina and South Carolina. In addition, the Company is currently constructing 26 new towers on existing sites and has 29 site acquisition projects in process for sites for its own use.

The Company is actively seeking opportunities for strategic acquisitions of communications sites and transmission networks and is currently in discussions with respect to potential significant acquisitions, investments and joint venture opportunities. In connection with a site marketing agreement recently entered into between the Company and BellSouth Mobility, the Company and BellSouth have agreed to explore future arrangements relating to the ownership, utilization and management of BellSouth's tower sites throughout the United States. The Company is also intending to submit a bid in connection with an auction by a major Regional Bell Operating Company of its U.S. wireless communications infrastructure. Similarly, the Company has bid on the tower assets, which encompass more than 250 U.S. tower sites, currently being auctioned by Vanguard Cellular. In addition, the Company is pursuing acquisition opportunities in Australia and New Zealand, including in certain instances together with other partners. For example, the Company, together with Fay Richwhite & Company Limited and Berkshire Partners LLC, has made an offer in respect of a wireless communications network, including its tower infrastructure and radio frequency spectrum. If such offer is successful and the transaction is consummated, the Company anticipates that it would invest up to approximately \$50.0 million for a substantial minority interest in the acquired business. The Company is also pursuing other potential acquisitions of communications sites and transmission networks, including in connection with privatizations of state-owned networks. Any of the foregoing discussions or auctions could result in an agreement with respect to a significant acquisition, investment or joint venture in the near term. However, there can be no assurance that the Company will consummate any of the foregoing transactions in the near term or at all. See "Risk Factors--Broad Discretion in Application of Proceeds" and "Risk Factors--Managing Integration and Growth".

INDUSTRY BACKGROUND

The Company owns, operates and manages wireless communications and broadcast transmission infrastructure, including towers and other communications sites, and also provides a full range of complementary network support services. Each of the wireless communications and broadcasting industries is currently experiencing a period of significant change.

The wireless communications industry is growing rapidly as new wireless technologies are developed and consumers become more aware of the benefits of wireless services. Wireless technologies are being used in more applications and the cost of wireless services to consumers is declining. A significant number of new competitors in the wireless communications industry have developed as additional frequency spectrum has become available for a wide range of uses, most notably Personal Communications Services ("PCS") (known as "PCN" in the United Kingdom). This competition, combined with an increasing reliance on wireless communications by consumers and businesses, has led to an increased demand for higher quality, uninterrupted service and improved coverage, which, in turn, has led to increased demand for communications sites as new carriers build out their networks and existing carriers upgrade and expand their networks to maintain their competitiveness. These trends are affecting the wireless communications industry around the world.

As the wireless communications industry has become more competitive, wireless communications carriers have sought operating and capital efficiencies by outsourcing certain network services and the build-out and operation of new and existing infrastructure and by co-locating transmission equipment with other carriers on multiple tenant towers. The need for co-location has also been driven by the growing trend by municipalities to slow the proliferation of towers. Further, the Company believes that there has been a fundamental shift in strategy among established wireless communications carriers relating to infrastructure ownership. The Company believes that in order to free up capital for the growth and management of their customer bases and expansion of their service offerings, such carriers are beginning to seek to sell their wireless communications infrastructure to, or establish joint ventures with, experienced infrastructure providers that have the ability to manage networks. The Company believes that those infrastructure providers with a proven track record of providing end-to-end services will be best positioned to successfully acquire access to such wireless communications infrastructure.

The television broadcasting industry is experiencing significant change because of the impending widespread deployment of digital terrestrial television (known as "DTV" in the United States and "DTT" in the United Kingdom). In the United States, the Federal Communications Commission (the "FCC") has required affiliates of the four major networks (ABC, CBS, NBC and Fox) to commence DTV broadcasts in the top ten markets by May 1999 and in the top 30 markets by November 1999. In the United Kingdom, pursuant to the Broadcasting Act 1996, six digital television transmission multiplexes, which permit the holders to transmit digital television broadcasting services, have been allocated with digital transmission expected to commence on a commercial basis in late 1998. Australia, France, Germany, Japan, Spain and Sweden are expected to be the next countries to introduce digital terrestrial television, followed by other European nations and later by developing countries. Many countries are expected to start to establish digital services within the next five years. The shift to digital transmission will require network design, development and engineering services and the significant enhancement of existing broadcast transmission infrastructure, including new transmission and monitoring equipment and the modification, strengthening and construction of towers (including over 1,000 tall towers in the United States). In addition, state-run broadcast transmission networks are continuing to be privatized throughout the world.

The Company expects these trends to continue around the world in both the wireless communications and broadcasting industries. The Company believes that the next logical step in the outsourcing of infrastructure by wireless communications carriers and broadcasters will be the outsourcing of the operation of their towers and transmission networks, including the transmission of their signals, in much the same way as the BBC has done with its transmission network. This outsourcing will allow carriers to realize additional operating and capital efficiencies and to focus on management of their customer bases and expansion of their service offerings. Management believes that such carriers will only entrust the transmission of their signals to those infrastructure providers, such as the Company, that have the ability to manage towers and transmission networks and a proven track record of providing end-to-end services to the wireless communications and broadcasting industries.

BUSINESS STRATEGY

The Company's objective is to become the premier global provider of wireless communications and broadcast transmission infrastructure and related services. The Company's experience in establishing and expanding its existing tower footprints, its experience in owning and operating both analog and digital transmission networks, its significant relationships with wireless communications carriers and broadcasters and its ability to offer customers its in-house technical and operational expertise, uniquely position it to capitalize on global growth opportunities. The key elements of the Company's business strategy are to:

- . **MAXIMIZE UTILIZATION OF TOWER CAPACITY.** The Company is seeking to take advantage of the substantial operating leverage of its site rental business by increasing the number of antenna leases on its owned and managed communications sites. The Company believes that many of its towers have significant capacity available for additional antenna space rental and that increased utilization of its tower capacity can be achieved at low incremental cost. For example, prior to the Company's purchase of the BBC's broadcast transmission network in 1997, the rental of available antenna capacity on the BBC's premier tower sites was not actively marketed to third parties. The Company believes there is substantial demand for such capacity. In addition, the Company believes that the extra capacity on its tower footprints in the United States and the United Kingdom 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 the Company's attractive existing tower footprints. Further, the Company intends to selectively build and acquire additional towers to improve the coverage of its existing tower footprints to further increase their attractiveness. The Company intends to use targeted sales and marketing techniques to increase utilization of and investment return on its existing, newly constructed and acquired towers.
- . **LEVERAGE EXPERTISE OF CCI AND CTI PERSONNEL TO IMPLEMENT GLOBAL GROWTH STRATEGY.** The Company is seeking to leverage the skills of its personnel in the United States and the United Kingdom. The Company believes that its ability to manage wireless communications and broadcast transmission networks, including the transmission of signals, will be an important competitive advantage in its pursuit of global growth opportunities. With its wireless communications and broadcast transmission network design and radio frequency engineering expertise, the Company is well positioned (i) to partner with major wireless communications carriers to assume ownership of their existing towers, (ii) to provide build-to-suit towers for wireless communications carriers and broadcasters and (iii) to acquire existing broadcast transmission networks that are being privatized around the world.
- . **PARTNER WITH WIRELESS COMMUNICATIONS CARRIERS TO ASSUME OWNERSHIP OF THEIR EXISTING TOWERS.** The Company is seeking to partner with major wireless communications carriers in order to assume ownership of their existing towers directly or through joint ventures. The Company believes the primary criteria of such carriers in selecting a company to own and operate their wireless communications infrastructure will be the company's perceived capability to maintain the integrity of their networks, including their transmission signals. Therefore, the Company believes 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. The Company is currently in discussions with major wireless communications carriers in the United States to form joint ventures that would own and operate their towers and believes that similar opportunities will arise globally as the wireless communications industry further expands.
- . **PROVIDE BUILD-TO-SUIT TOWERS FOR WIRELESS COMMUNICATIONS CARRIERS AND BROADCASTERS.** As wireless communications carriers continue to expand and fill-in their service areas, they will require additional communications sites and will have to build new towers where co-location is not available. Similarly, the introduction of DTV in the United States will require the construction of new broadcast towers to accommodate new digital transmission equipment and analog transmission equipment displaced from existing towers. The Company is aggressively pursuing these build-to-suit opportunities, leveraging on its ability to offer end-to-end services. In addition, the Company intends to pursue build-to-suit opportunities through any joint venture or similar arrangement it establishes in connection with the acquisition of existing towers from wireless communications carriers.

- ACQUIRE EXISTING TRANSMISSION NETWORKS. In 1997, CTI successfully acquired the privatized domestic broadcast transmission network of the BBC. In addition, the Company is implementing the roll-out of digital television transmission services throughout the United Kingdom. As a result of this experience, the Company is 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 acquiror the ability to offer unused antenna capacity to new and existing radio and television broadcasters and wireless communications carriers, as well as to install new technologies such as digital terrestrial transmission services. In addition, the Company's experience in broadcast transmission services allows the Company to consider, when attractive opportunities arise, acquiring wireless transmission networks as well as the acquisition of associated wireless communications infrastructure. The Company is currently pursuing a number of international acquisition and privatization opportunities.
- CAPITALIZE ON MANAGEMENT EXPERIENCE. The Company's management team has extensive experience in the tower industry and in the management of broadcast transmission networks. Many of the senior executives have worked together for an extended period, which enables them to leverage their collective strengths in a rapidly changing industry environment. In addition, management is highly motivated to produce strong operating results based on their stock ownership in the Company.

BACKGROUND

Founded in 1994, the Company acquired 127 towers located in Texas, Colorado, New Mexico, Arizona, Oklahoma and Nevada from Pittencrieff Communications, Inc. ("PCI") in 1995. The Company subsequently continued to build its business through a variety of transactions, including (i) the acquisition in 1996 of Motorola's SMR and microwave system in Puerto Rico (the "Puerto Rico System"), which included 15 communication sites (the "Puerto Rico Acquisition"), (ii) the purchase through a series of transactions in 1996 and 1997 of TEA Group Incorporated ("TEA"), a leading domestic and international site acquisition firm (the "TEA Acquisition"), and (iii) the purchase in February 1997 of a 34.3% ownership interest in CTI (the "CTI Investment").

In August 1997, the Company enhanced its tower footprints and domestic network services offering by consummating the acquisition of the assets of Crown Communications (a proprietorship owned by Robert A. and Barbara Crown), and a merger of subsidiaries of the Company with and into Crown Network Systems, Inc. ("CNSI") and Crown Mobile Systems, Inc. ("CMSI"). The acquisition of the assets of Crown Communications and the merger of subsidiaries of the Company with and into CNSI and CMSI are collectively referred to herein as the "Crown Merger". The assets acquired through the Crown Merger included 61 owned towers and exclusive rights to lease antenna space on 147 other towers and rooftop sites, most of which are located in and around the greater Pittsburgh area, giving the Company a significant presence in that market. The remaining acquired sites are located in other areas of Pennsylvania, West Virginia, Kentucky, Ohio and Delaware.

THE ROLL-UP

On April 24, 1998, the Company entered into a Share Exchange Agreement pursuant to which, concurrently with the consummation of the Offering, (i) the shareholders of CTSH (other than the Company, TdF and DFI) will exchange their shares of capital stock of CTSH for shares of Common Stock of the Company and (ii) DFI will exchange its shares of capital stock of CTSH for shares of Class A Common Stock of the Company. In connection with such exchanges, the Company will exercise warrants to acquire additional shares of capital stock of CTSH and subscribe for additional shares of capital stock of CTSH. Such transactions are collectively referred to herein as the "Exchange". Upon consummation of the Exchange, the Company will own 80.0% of CTSH and TdF will own the remaining 20.0%. Immediately prior to the Exchange, (i) each share of the Company's currently outstanding Class A Common Stock, par value \$.01 per share (the "Existing Class A Common Stock"), will be converted into 1.523148 shares of Common Stock, (ii) each share of the Company's currently outstanding Class B Common Stock, par value \$.01 per share (the "Existing Class B Common Stock"), will be

reclassified as one share of Common Stock and (iii) each share of the Company's currently outstanding Series A Convertible Preferred Stock, par value \$.01 per share (the "Series A Convertible Preferred Stock"), Series B Convertible Preferred Common Stock, par value \$.01 per share (the "Series B Convertible Preferred Stock"), and Series C Convertible Preferred Common Stock, par value \$.01 per share (the "Series C Convertible Preferred Stock" and, together with the Series A Convertible Preferred Stock and the Series B Convertible Preferred Stock, the "Existing Preferred Stock"), will be converted into one share of Common Stock. The Exchange and the Conversions are collectively referred to herein as the "Roll-Up". See "The Roll-Up".

Upon the consummation of the Offering, after giving effect to the Roll-Up: (i) DFI will own all of the outstanding Class A Common Stock (which is convertible into shares of Common Stock and represents a 10.4% beneficial ownership interest in the Company's Common Stock) and DFI and TdF together will (after giving effect to the TdF Conversions (as defined)) beneficially own 25.0% of the Company's Common Stock; (ii) the Candover Group (as defined) will beneficially own 11.6% of the Company's Common Stock; (iii) the Berkshire Group (as defined) will beneficially own 21.2% of the Company's Common Stock; (iv) the Centennial Group (as defined) will beneficially own 10.0% of the Company's Common Stock; (v) the Crown Parties (as defined) will beneficially own 3.8% of the Company's Common Stock; and (vi) executive officers of the Company (excluding Mr. Crown) will beneficially own 6.1% of the Company's Common Stock. See "Principal and Selling Stockholders".

Following the Roll-Up, TdF (whose ultimate parent is France Telecom) will have certain significant governance and other rights with respect to the Company and the CTI business. Subject to certain conditions, TdF's consent will be required for the Company or CTI to undertake certain actions, including making certain acquisitions or dispositions, entering into strategic alliances with certain parties and engaging in certain business combinations. See "Risk Factors--Risks Related to Agreements with TdF" and "The Roll-Up--Roll-Up Agreements".

In addition, subject to certain conditions, (i) during the two-year period following consummation of the Offering, TdF will have the right (the "TdF Put Right") to exchange its shares of capital stock of CTSH for shares of Class A Common Stock of the Company at the Exchange Ratio (as defined) and (ii) on the second anniversary of the consummation of the Offering, the Company will have the right (the "Company Call Right") to require TdF to exchange its shares of capital stock of CTSH for shares of Class A Common Stock of the Company at the Exchange Ratio; provided, however, that in each case TdF will retain its governance rights with respect to CTI until its ownership interest in the Company falls below 5%. See "Risk Factors--Risks Related to Agreements with TdF", "The Roll-Up--Roll-Up Agreements" and "Description of Capital Stock".

RECENT FINANCINGS

On October 31, 1997, Castle Tower Corporation ("CTC"), then a wholly owned subsidiary of CCIC, borrowed approximately \$94.7 million (the "October Bank Financing") under a Loan Agreement dated April 26, 1995, as amended on June 26, 1996, January 17, 1997, April 3, 1997 and October 31, 1997 (the "Senior Credit Facility"). In addition, concurrently with the October Bank Financing, CCIC privately placed \$36.5 million of senior convertible preferred stock (the "Senior Convertible Preferred Stock") and warrants to purchase shares of Common Stock of CCIC. The proceeds of the October Bank Financing and the private placement of Senior Convertible Preferred Stock were used to repay a seller note issued in connection with the Crown Merger, to repay loans outstanding under a credit agreement at Crown Communications and to pay related fees and expenses. The October Bank Financing, the private placement of the Senior Convertible Preferred Stock and the application of the proceeds therefrom are collectively referred to herein as the "October Refinancing".

On November 20, 1997, the Company privately placed (the "1997 Notes Offering") \$251.0 million principal amount at maturity (\$150,010,150 initial accreted value) of its 10 5/8% Senior Discount Notes due 2007 (the "Notes"). The net proceeds to the Company from the 1997 Notes Offering were used to repay substantially all outstanding indebtedness of the Company, including the approximately \$94.7 million of indebtedness incurred under the Senior Credit Facility in connection with the October Refinancing, and to pay related fees and expenses

with the balance being used for general corporate purposes. The October Refinancing, the 1997 Notes Offering and the application of the net proceeds from the 1997 Notes Offering, are collectively referred to herein as the "1997 Refinancing".

RECENT RESULTS

On July 27, 1998, CCIC reported its results for the second quarter ended June 30, 1998. Revenues for the second quarter of 1998 totaled \$11.5 million, compared to \$4.8 million for the same period in 1997. CCIC's EBITDA (as defined in footnote (e) to "--Summary Unaudited Pro Forma Financial and Other Data") was \$1.9 million for the second quarter of 1998, compared to EBITDA of negative \$0.4 million for the same period in 1997.

CCIC's revenues from site rental operations increased to \$5.4 million for the second quarter of 1998, compared to \$1.7 million for the second quarter of 1997. CCIC's EBITDA from site rental operations was \$3.7 million for the second quarter of 1998, compared to \$1.1 million in the same period in 1997. CCIC's revenues from network services and other operations were \$6.1 million for the second quarter of 1998, compared to \$3.1 million for the same period in 1997. CCIC's EBITDA from network services and other operations amounted to negative \$1.8 million for the second quarter of 1998, compared to EBITDA of negative \$1.5 million for the same period in 1997.

On July 28, 1998, CTI reported its results for the second quarter ended June 30, 1998. Revenues for the second quarter of 1998 totaled (Pounds)22.7 million (or \$38.0 million), compared to (Pounds)18.6 million (or \$31.1 million) in the same period in 1997. CTI's EBITDA (as defined in footnote (e) to "--Summary Financial and Other Data of CTI") was (Pounds)9.8 million (or \$16.4 million) for the second quarter of 1998, compared to EBITDA of (Pounds)8.4 million (or \$14.1 million) for the same period in 1997.

CTI's revenues from site rental and broadcast transmission operations increased to (Pounds)19.1 million (or \$31.9 million) for the second quarter of 1998, compared to (Pounds)16.5 million (or \$27.6 million) for the same period in 1997. CTI's EBITDA from site rental and broadcast transmission operations increased to (Pounds)9.0 million (or \$15.1 million) for the second quarter of 1998, compared to (Pounds)7.2 million (or \$12.0 million) for the same period in 1997. CTI's revenues from network services and other operations increased to (Pounds)3.6 million (or \$6.0 million) for the second quarter of 1998, compared to (Pounds)2.1 million (or \$3.4 million) for the same period in 1997. CTI's EBITDA from network services and other operations amounted to (Pounds)0.8 million (or \$1.4 million) for the second quarter of 1998, compared to (Pounds)1.2 million (or \$2.0 million) for the same period in 1997.

For the six months ended June 30, 1998, after giving pro forma effect to the Roll-Up and the Offering, the Company would have had pro forma revenues and pro forma EBITDA of \$95.0 million and \$33.5 million, respectively.

The Company's principal executive offices are located at 510 Bering Drive, Suite 500, Houston, Texas 77057, telephone (713) 570-3000.

CORPORATE STRUCTURE

The following chart illustrates the organizational structure of the Company after giving effect to the Roll-Up. See "Capitalization" and "The Roll-Up".

[LOGO]

Crown Castle International Corp.
("CCIC")(a)

100%

Crown
Communication Inc.
("Crown Communication")

100%

Domestic Subsidiaries

80% (b)

Castle Transmission
Services (Holdings) Ltd.
("CTSH") (c)

100%

Castle Transmission
International Ltd (d)

100%

Castle Transmission
(Finance) PLC

-
- (a) After giving effect to the Offering and the Roll-Up: (i) DFI will own all of the outstanding Class A Common Stock (which represents a 10.4% beneficial ownership interest in the Company's Common Stock and, together with the shares of CTSH held by TdF (which, pursuant to the TdF Put Right, may be exchanged at any time for shares of the Company's Class A Common Stock), represents a 25.0% beneficial ownership interests in the Company's Common Stock); (ii) the Candover Group will beneficially own 11.6% of the Company's Common Stock; (iii) the Berkshire Group will beneficially own 21.2% of the Company's Common Stock; (iv) the Centennial Group will beneficially own 10.0% of the Company's Common Stock; (v) the Crown Parties will beneficially own 3.8% of the Company's Common Stock; and (vi) executive officers of the Company (excluding Mr. Crown) will beneficially own 6.1% of the Company's Common Stock. See "Principal and Selling Stockholders".
 - (b) The remaining 20% equity interest in CTSH is held by TdF. Pursuant to the TdF Put Right and Company Call Right, in certain instances TdF's shares in CTSH may be exchanged for shares of the Company's Class A Common Stock at the Exchange Ratio.
 - (c) CTSH has another wholly owned subsidiary, Castle Transmission (Trustees) Ltd.
 - (d) Castle Transmission International Ltd has another wholly owned subsidiary, Castle Transmission International Pension Trust Ltd.

THE OFFERING

Common Stock offered by the Company:

U.S. Offering.....	
International Offering.....	21,250,000 shares
	6,250,000 shares

Total.....	27,500,000 shares

Common Stock offered by the Selling Stockholders(a):

U.S. Offering.....	
	3,750,000 shares

Common Stock to be outstanding after the Offering(b):

Common Stock(c).....	97,728,545 shares
Class A Common Stock(d).....	11,340,000 shares

Voting Rights.....

Under the Company's Certificate of Incorporation, with respect to matters on which the holders of the Company's Common Stock have the right to vote, stockholder approval generally will require the affirmative vote of the holders of a majority of the voting power of the Company, with the holders of the Common Stock and the Class A Common Stock voting together as a single class. However, certain specified actions will require the approval of the holders of a majority of the Class A Common Stock. In addition, the holders of the Class A Common Stock, voting as a separate class, will have the right to elect up to two members of the Company's Board of Directors and will not vote in the election of directors by the holders of the Company's other voting stock entitled to vote in the election of directors. See "The Roll-Up" and "Description of Capital Stock".

Use of Proceeds.....

The proceeds of the Offering will be used for working capital and general corporate purposes, including (i) acquisitions, investments and joint ventures and (ii) capital expenditures associated with (a) the buildout of new infrastructure in the United Kingdom to support DTT and (b) the construction of new towers. See "Risk Factors--Broad Discretion in Application of Proceeds".

NNM Stock Symbol.....

"TWRS".

(Footnotes on following page)

- - - - -
- (a) Does not include 4,687,500 shares of Common Stock that will be offered if the Underwriters' over-allotment option is exercised in full.
 - (b) Does not include 518,030 shares of Common Stock issuable upon the exercise of stock options held by certain of the Selling Stockholders that will be exercised if the Underwriters' over-allotment option is exercised in full.
 - (c) Does not include (i) 1,314,990 shares of Common Stock reserved for issuance upon exercise of warrants outstanding prior to the Offering, (ii) 4,257,360 shares of Common Stock reserved for issuance upon exercise of stock options previously granted pursuant to CTS's stock option plans and agreements or (iii) 18,000,000 shares of Common Stock reserved for issuance under the Company's 1995 Stock Option Plan (including 11,924,990 shares issuable pursuant to stock options outstanding at the time of the Offering). See "Management--Directors' Compensation and Arrangements", "Management--Stock Option Plans", "Certain Relationships and Related Transactions" and "Description of Capital Stock--Senior Preferred Warrants".
 - (d) Upon consummation of the Roll-Up, all outstanding shares of Class A Common Stock initially will be owned by DFI.

RISK FACTORS

Prospective purchasers of the Common Stock should carefully consider the factors set forth under "Risk Factors" immediately following this Prospectus Summary, as well as the other information set forth in this Prospectus.

SUMMARY UNAUDITED PRO FORMA FINANCIAL AND OTHER DATA

The unaudited pro forma financial and other data set forth below have been derived from the Pro Forma Financial Statements (as defined) included elsewhere in this Prospectus. The pro forma statement of operations data and other data for the year ended December 31, 1997, give effect to the Transactions (as defined under "Unaudited Pro Forma Condensed Consolidated Financial Statements") as if they had occurred on January 1, 1997. The pro forma statement of operations data and other data for the three months ended March 31, 1998, give effect to the Roll-Up, the Offering and the conversion (the "Senior Preferred Conversion") of the Senior Convertible Preferred Stock into Common Stock (all of which, as of July 17, 1998, had converted), as if they had occurred on January 1, 1998. The pro forma balance sheet data give effect to the Roll-Up, the Offering and the Senior Preferred Conversion as if they had occurred on March 31, 1998. The information set forth below should be read in conjunction with "Unaudited Pro Forma Condensed Consolidated Financial Statements", "Selected Financial and Other Data of CCIC", "Selected Financial and Other Data of Crown", "Selected Financial and Other Data of CTI", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements and the notes thereto of CCIC, Crown and CTI included elsewhere in this Prospectus.

	YEAR ENDED DECEMBER 31, 1997	THREE MONTHS ENDED MARCH 31, 1998

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)		
STATEMENT OF OPERATIONS DATA:		
Net revenues:		
Site rental and broadcast transmission.....	\$126,482	\$35,871
Network services and other.....	54,454	10,059
	-----	-----
Total net revenues.....	180,936	45,930
	-----	-----
Costs of operations:		
Site rental and broadcast transmission(a).....	57,440	14,909
Network services and other.....	31,296	6,358
	-----	-----
Total costs of operations.....	88,736	21,267
	-----	-----
General and administrative.....	19,983	5,725
Corporate development(b).....	3,507	3,634
Depreciation and amortization.....	72,988	19,586
	-----	-----
Operating income (loss).....	(4,278)	(4,282)
Other income (expense):		
Interest and other income.....	1,321	979
Interest expense and amortization of deferred financing costs.....	(38,308)	(9,887)
	-----	-----
Income (loss) before income taxes and minority interests	(41,265)	(13,190)
Provision for income taxes.....	(50)	(13)
Minority interests.....	(1,320)	(341)
	-----	-----
Net income (loss).....	(42,635)	(13,544)
Dividends on Senior Convertible Preferred Stock.....	--	--
	-----	-----
Net income (loss) after deduction of dividends on Senior Convertible Preferred Stock.....	\$(42,635)	\$(13,544)
	=====	=====
Loss per common share--basic and diluted.....	\$ (0.39)	\$ (0.12)
	=====	=====
Common shares outstanding--basic and diluted (in thousands).....	109,168	109,179
	=====	=====
OTHER DATA:		
Site data(c):		
Towers and revenue producing rooftop sites at end of period.....	1,254	1,336

	YEAR ENDED DECEMBER 31, 1997	THREE MONTHS ENDED MARCH 31, 1998
----- (DOLLARS IN THOUSANDS)		
EBITDA(e):		
Site rental and broadcast transmission.....	\$ 60,085	\$ 18,980
Network services and other.....	12,132	(42)
Corporate development expenses(b).....	(3,507)	(3,634)
	-----	-----
Total EBITDA.....	\$ 68,710	\$ 15,304
	=====	=====
Capital expenditures.....	\$ 56,458	\$ 36,834
Summary cash flow information:		
Net cash provided by operating activities.....	61,193	690
Net cash used for investing activities.....	(234,299)	(36,656)
Net cash provided by financing activities.....	242,241	34,015
Ratio of earnings to fixed charges(f)...	--	--

AS OF MARCH 31, 1998

	HISTORICAL CCIC	PRO FORMA FOR ROLL-UP	PRO FORMA FOR ROLL-UP AND OFFERING
----- (DOLLARS IN THOUSANDS)			

BALANCE SHEET DATA:

Cash and cash equivalents.....	\$ 53,395	\$ 66,789	\$ 532,064
Property and equipment, net.....	105,034	456,363	456,363
Total assets.....	392,688	1,298,904	1,764,179
Total debt.....	187,299	436,516	436,516
Redeemable preferred stock.....	162,804	70,003	-- (g)
Total stockholders' equity.....	33,912	706,452	1,241,730

OTHER DATA:

Ratio of EBITDA to total interest expense(h).....	0.24x	1.55x	1.55x
Ratio of total debt to EBITDA.....	42.18x	7.13x	7.13x
Ratio of net debt to EBITDA(i).....	30.16x	6.04x	2.03x
Towers and revenue producing rooftop sites(d).....	530	1,336	1,336

(a) Included in costs of operations for site rental and broadcast transmission for the three months ended March 31, 1998 are non-cash compensation charges for \$1.1 million related to the issuance of stock options for 170,000 ordinary shares and 169,830,000 preference shares of CTSH to certain employees of CTI. In connection with the Roll-Up, such stock options will be converted into options for Common Stock of the Company. See "Management--Stock Option Plans--CTI Stock Option Plans".

(b) 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. Included in corporate development expenses for the three months ended March 31, 1998 are non-cash compensation charges for \$1.8 million related to the issuance of stock options for approximately 168,000 ordinary shares and 167,832,000 preference shares of CTSH to certain executives at CTI. In connection with the Roll-Up, such stock options will be converted into options for Common Stock of the Company. See "Management--Stock Option Plans--CTI Stock Option Plans". CCIC expects to record non-cash compensation charges related to the issuance of stock options to certain employees and executives. Such charges are expected to amount to \$20.2 million in 1998, recognized upon completion of the Offering, and approximately \$3.0 million per year thereafter through 2003.

(c) Represents the aggregate number of sites of CCIC and its acquired businesses (including Crown) and CTI for each period.

(d) As of March 31, 1998, the Company had contracts with 1,288 buildings in the United States to manage on behalf of such buildings the leasing of space for antennas on the rooftops of such buildings. A revenue producing rooftop represents a rooftop where the Company has arranged a lease of space on such rooftop and, as such, is receiving payments in respect of its management contract. The Company generally does not receive any payment for rooftops under management unless the Company actually leases space on such rooftops to third parties. As of March 31, 1998, the Company had 1,217 rooftop sites under management throughout the United States that were not revenue producing rooftops but were available for leasing to customers and, in the United Kingdom, the Company had 54 revenue producing rooftop sites that were occupied by the Company's transmitters but were not available for leasing to customers.

(e) EBITDA is defined as operating income (loss) plus depreciation and amortization. EBITDA is presented as additional information because management believes it to be a useful indicator of the Company's 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, the Company's measure of EBITDA may not be comparable to similarly titled measures of other companies.

- (f) For purposes of computing the ratio of earnings to fixed charges, earnings represent income (loss) before income taxes, minority interests and fixed charges. Fixed charges consist of interest expense, the interest component of operating leases and amortization of deferred financing costs. For the year ended December 31, 1997 and the three months ended March 31, 1998, earnings were insufficient to cover fixed charges by \$41.3 million and \$13.2 million, respectively.
- (g) Reflects the conversion of the outstanding shares of Senior Convertible Preferred Stock into shares of Common Stock in the Senior Preferred Conversion.
- (h) Total interest expense for the three months ended March 31, 1998 includes amortization of deferred financing costs and discount of \$4.2 million for CCIC and \$0.2 million for CTI.
- (i) Net debt represents total debt less cash and cash equivalents.

SUMMARY FINANCIAL AND OTHER DATA OF CCIC

The summary historical consolidated financial and other data for CCIC set forth below for each of the three years in the period ended December 31, 1997, and as of December 31, 1995, 1996 and 1997, have been derived from the consolidated financial statements of CCIC, which have been audited by KPMG Peat Marwick LLP, independent certified public accountants. The summary historical consolidated financial and other data for CCIC set forth below for the three months ended March 31, 1997 and 1998, and as of March 31, 1998, have been derived from the unaudited consolidated financial statements of CCIC, which include all adjustments that the Company considers necessary for a fair presentation of the financial position and results of operations for those periods. Operating results for the three months ended March 31, 1997 and 1998 are not necessarily indicative of the results that may be expected for the entire year. The information set forth below should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations--Results of Operations--CCIC" and the consolidated financial statements and the notes thereto of CCIC included elsewhere in this Prospectus.

	YEARS ENDED DECEMBER 31,			THREE MONTHS ENDED MARCH 31,	
	1995	1996	1997	1997	1998
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)					
STATEMENT OF OPERATIONS DATA:					
Net revenues:					
Site rental.....	\$ 4,052	\$ 5,615	\$ 11,010	\$ 1,667	\$ 5,061
Network services and other.....	6	592	20,395	327	6,776
Total net revenues.....	4,058	6,207	31,405	1,994	11,837
Costs of operations:					
Site rental.....	1,226	1,292	2,213	258	1,172
Network services and other.....	--	8	13,137	5	4,421
Total costs of operations.....	1,226	1,300	15,350	263	5,593
General and administrative.....	729	1,678	6,824	511	3,803
Corporate development(a).....	204	1,324	5,731	2,105	1,331
Depreciation and amortization...	836	1,242	6,952	408	3,604
Operating income (loss).....	1,063	663	(3,452)	(1,293)	(2,494)
Other income (expense):					
Equity in earnings (losses) of unconsolidated affiliate.....	--	--	(1,138)	197	(99)
Interest and other income(b)...	53	193	1,951	1,301	706
Interest expense and amortization of deferred financing costs.....	(1,137)	(1,803)	(9,254)	(626)	(4,706)
Income (loss) before income taxes.....	(21)	(947)	(11,893)	(421)	(6,593)
Provision for income taxes.....	--	(10)	(49)	(22)	(13)
Net income (loss).....	(21)	(957)	(11,942)	(443)	(6,606)
Dividends on Senior Convertible Preferred Stock.....	--	--	(2,199)	--	(2,055)
Net income (loss) after deduction of dividends on Senior Convertible Preferred Stock.....	\$ (21)	\$ (957)	\$ (14,141)	\$ (443)	\$ (8,661)
Loss per common share--basic and diluted.....	\$ (0.01)	\$ (0.27)	\$ (2.27)	\$ (0.13)	\$ (0.79)
Common shares outstanding--basic and diluted (in thousands)....	3,316	3,503	6,238	3,400	10,954

	YEARS ENDED DECEMBER 31,			THREE MONTHS ENDED MARCH 31,	
	1995	1996	1997	1997	1998

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

OTHER DATA:

Site data (at period

end)(c):

Towers owned.....	126	155	240		331
Towers managed.....	7	7	133		128
Rooftop sites managed (revenue producing)(d)....	41	52	80		71
Total sites owned and managed.....	174	214	453		530

EBITDA(e):

Site rental.....	\$ 2,697	\$ 3,555	\$ 7,682	\$ 1,204	\$ 3,490
Network services and other.....	(594)	(326)	1,549	16	(1,049)
Corporate development expenses(a).....	(204)	(1,324)	(5,731)	(2,105)	(1,331)
Total EBITDA.....	\$ 1,899	\$ 1,905	\$ 3,500	\$ (885)	\$ 1,110

Capital expenditures.....	\$ 161	\$ 890	\$ 18,035	\$ 232	\$ 24,539
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Summary cash flow

information:

Net cash provided by (used for) operating activities.....	1,672	(530)	(624)	(625)	(2,951)
Net cash used for investing activities.....	(16,673)	(13,916)	(111,484)	(57,774)	(24,539)
Net cash provided by financing activities.....	15,597	21,193	159,843	67,825	25,807
Ratio of earnings to fixed charges(f).....	--	--	--	--	--

BALANCE SHEET DATA (AT
PERIOD END):

Cash and cash equivalents...	\$ 596	\$ 7,343	\$ 55,078		\$ 53,395
Property and equipment, net.....	16,003	26,753	81,968		105,034
Total assets.....	19,875	41,226	371,391		392,688
Total debt.....	11,182	22,052	156,293		187,299
Redeemable preferred stock(g).....	5,175	15,550	160,749		162,804
Total stockholders' equity (deficit).....	619	(210)	41,792		33,912

(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, includes (i) nonrecurring cash bonuses of \$0.9 million paid to certain executive officers in connection with the CTI Investment and (ii) 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 CTI Investment. See "Certain Relationships and Related Transactions". CCIC expects to record non-cash compensation charges related to the issuance of stock options to certain employees and executives. Such charges are expected to amount to \$20.2 million in 1998, recognized upon completion of the Offering, and approximately \$3.0 million per year thereafter through 2003.

(b) Includes a \$1.2 million fee received in March 1997 as compensation for leading the investment consortium which provided the equity financing for CTI in connection with the CTI Investment.

(c) Represents the aggregate number of sites of CCIC as of the end of each period.

(d) As of March 31, 1998, CCIC had contracts with 1,288 buildings to manage on behalf of such buildings the leasing of space for antennas on the rooftops of such buildings. A revenue producing rooftop represents a rooftop where CCIC has arranged a lease of space on such rooftop and, as such, is receiving payments in respect of its management contract. CCIC generally does not receive any payment for rooftops under management unless CCIC actually leases space on such rooftops to third parties. As of March 31, 1998, CCIC had 1,217 rooftop sites under management throughout the United States that were not revenue producing but were available for leasing to customers.

(e) EBITDA is defined as operating income (loss) plus depreciation and amortization. EBITDA is presented as additional information because management believes it to be a useful indicator of CCIC's 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, CCIC's measure of EBITDA may not be comparable to similarly titled measures of other companies.

- (f) 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 and 1997 and the three months ended March 31, 1998, earnings were insufficient to cover fixed charges by \$21,000, \$947,000, \$10.8 million and \$6.5 million, respectively.
- (g) Represents (i) 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 (ii) 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 will be converted into shares of Common Stock in connection with the consummation of the Offering.

SUMMARY FINANCIAL AND OTHER DATA OF CTI

The summary historical financial data for CTI, which was 34.3% owned by CCIC prior to the Roll-Up, presents (i) summary historical financial data of the BBC Home Service Transmission Business prior to its acquisition by CTI (the "Predecessor") for the year ended March 31, 1996 and the eleven and two months ended February 27, 1997, (ii) summary historical consolidated financial data of CTI after such acquisition for the one month ended March 31, 1997 and for the nine months ended December 31, 1997, and (iii) summary historical consolidated financial data of CTI as of and for the three months ended March 31, 1998. The summary historical financial data for the year ended March 31, 1996 and the eleven months ended February 27, 1997 have been derived from the financial statements of the Predecessor, which have been audited by KPMG, Chartered Accountants. The summary financial data for the one month ended March 31, 1997 and the nine months ended December 31, 1997 have been derived from the consolidated financial statements of CTI, which have been audited by KPMG, Chartered Accountants. The summary historical financial data for the two months ended February 27, 1997 have been derived from the unaudited financial statements of the Predecessor, and the summary historical financial data as of and for the three months ended March 31, 1998 have been derived from the unaudited consolidated financial statements of CTI, which include all adjustments that CTI considers necessary for a fair presentation of the financial position and results of operations for that period. The results of operations for the one month ended March 31, 1997, the nine months ended December 31, 1997 and the three months ended March 31, 1998 are not necessarily indicative of the results of operations of CTI that may be expected for the entire year. This information reflects financial data for CTI as a whole, is not limited to that portion of the financial data attributable to CCIC's percentage ownership of CTI prior to the Roll-Up and is not indicative of any distributions or dividends that CCIC might receive in the future. CTI is subject to significant restrictions on its ability to make dividends and distributions to CCIC. See "Risk Factors--Holding Company Structure; Dependence on Dividends to Meet Cash Requirements or Pay Dividends". The information set forth below should be read in conjunction with "Selected Financial and Other Data of CTI", "Management's Discussion and Analysis of Financial Condition and Results of Operations--Results of Operations--CTI" and the consolidated financial statements and the notes thereto of CTI included elsewhere in this Prospectus.

	PREDECESSOR COMPANY			CTI		
YEAR ENDED MARCH 31, 1996	ELEVEN MONTHS ENDED FEBRUARY 27, 1997	TWO MONTHS ENDED FEBRUARY 27, 1997	ONE MONTH ENDED MARCH 31, 1997	NINE MONTHS ENDED DECEMBER 31, 1997	THREE MONTHS ENDED MARCH 31, 1998	

(POUNDS STERLING IN THOUSANDS)

STATEMENT OF OPERATIONS DATA (under U.S. GAAP):

Net revenues:						
Site rental and broadcast transmission....	(Pounds)61,694	(Pounds)65,183	(Pounds)11,761	(Pounds)5,510	(Pounds)50,438	(Pounds)18,719
Network services and other.....	8,673	5,431	1,044	923	6,314	2,055
Total net revenues.....	70,367	70,614	12,805	6,433	56,752	20,774
Costs of operations:						
Site rental and broadcast transmission(b)..	34,577	36,200	5,851	2,483	24,516	8,346
Network services and other.....	5,472	3,335	745	391	2,520	1,177
Total costs of operations.....	40,049	39,535	6,596	2,874	27,036	9,523
General and administrative... Corporate	9,698	4,039	1,048	495	4,021	1,228
development(c)...	--	--	--	--	--	1,399
Depreciation and amortization.....	9,128	9,045	1,738	1,819	16,854	5,887
Operating income..	11,492	17,995	3,423	1,245	8,841	2,737
Other income (expense):						
Interest and other income....	--	--	--	49	288	166
Interest expense and amortization of deferred financing costs.....	--	--	--	(891)	(11,618)	(3,148)
Income (loss) before income						

taxes.....	11,492	17,995	3,423	403	(2,489)	(245)
Provision for income taxes.....	--	--	--	--	--	--
Net income (loss).....	(Pounds)11,492	(Pounds)17,995	(Pounds) 3,423	(Pounds) 403	(Pounds)(2,489)	(Pounds) (245)

CTI

	ONE MONTH ENDED MARCH 31, 1997(A)	NINE MONTHS ENDED DECEMBER 31, 1997(A)	THREE MONTHS ENDED MARCH 31, 1998(A)
--	---	--	--

(DOLLARS IN THOUSANDS)

STATEMENT OF
OPERATIONS DATA
(under U.S.
GAAP):

Net revenues:

Site rental and broadcast transmission....	\$9,238	\$84,559	\$31,382
Network services and other.....	1,547	10,586	3,446
Total net revenues.....	10,785	95,145	34,828

Costs of
operations:

Site rental and broadcast transmission(b)..	4,163	41,101	13,992
Network services and other.....	655	4,225	1,973
Total costs of operations.....	4,818	45,326	15,965

General and administrative...	830	6,741	2,060
Corporate development(c)...	--	--	2,345
Depreciation and amortization.....	3,050	28,256	9,870
Operating income..	2,087	14,822	4,588
Other income (expense):			
Interest and other income....	82	483	278
Interest expense and amortization of deferred financing costs.....	(1,494)	(19,477)	(5,276)
Income (loss) before income taxes.....	675	(4,172)	(410)
Provision for income taxes.....	--	--	--
Net income (loss).....	\$ 675	\$(4,172)	\$ (410)

PREDECESSOR COMPANY			CTI		
YEAR ENDED MARCH 31, 1996	ELEVEN MONTHS ENDED FEBRUARY 27, 1997	TWO MONTHS ENDED FEBRUARY 27, 1997	ONE MONTH ENDED MARCH 31, 1997	NINE MONTHS ENDED DECEMBER 31, 1997	THREE MONTHS ENDED MARCH 31, 1998

(POUNDS STERLING IN THOUSANDS)

OTHER DATA (under U.S. GAAP):

Site data(d):

Towers and revenue producing rooftop sites at end of period...

EBITDA(e):

Site rental and broadcast transmission....

Network services and other.....

Corporate development expenses(c).....

Total EBITDA....

(Pounds)19,359	(Pounds)25,752	(Pounds)4,941	(Pounds)2,574	(Pounds)22,428	(Pounds)9,351
1,261	1,288	220	490	3,267	672
--	--	--	--	--	(1,399)
(Pounds)20,620	(Pounds)27,040	(Pounds)5,161	(Pounds)3,064	(Pounds)25,695	(Pounds)8,624

Capital

expenditures....
Summary cash flow information:

Net cash provided by operating activities.....

Net cash used for investing activities.....

Net cash provided by financing activities.....

(Pounds)18,079	(Pounds)21,810	(Pounds) 711	(Pounds) 748	(Pounds)14,361	(Pounds)7,470
24,311	28,146	5,161	4,871	25,555	2,212
(17,190)	(21,811)	(711)	(52,889)	(14,668)	(7,362)
(7,121)	(6,335)	(4,450)	57,706	(12,423)	4,987

CTI

ONE MONTH ENDED MARCH 31, 1997(A)	NINE MONTHS ENDED DECEMBER 31, 1997(A)	THREE MONTHS ENDED MARCH 31, 1998(A)
---	--	--

(DOLLARS IN THOUSANDS)

OTHER DATA (under U.S. GAAP):

Site data(d):

Towers and revenue producing rooftop sites at end of period...

EBITDA(e):
Site rental and broadcast transmission....

Network services and other.....

Corporate development expenses(c).....

Total EBITDA....

801	806	
\$ 4,316	\$37,600	\$15,676
821	5,478	1,127
--	--	(2,345)
\$ 5,137	\$43,078	\$14,458

Capital

expenditures....
Summary cash flow information:

Net cash provided by operating activities.....

Net cash used for investing activities.....

Net cash provided by financing activities.....

\$ 1,254	\$24,076	\$12,523
8,166	42,843	3,708
(88,668)	(24,591)	(12,342)
96,744	(20,827)	8,361

AS OF MARCH 31, 1998 AS OF MARCH 31, 1998

	(POUNDS STERLING IN THOUSANDS)	(DOLLARS IN THOUSANDS)
BALANCE SHEET DATA (under U.S. GAAP):		
Cash and cash equivalents.....	(Pounds)7,989	\$ 13,394
Property and equipment, net.....	209,561	351,329
Total assets.....	274,833	460,758
Total debt.....	148,653	249,217
Redeemable preference shares.....	106,962	179,322
Ordinary shareholders' equity (deficit).....	(4,644)	(7,786)

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- (a) CTI publishes its consolidated financial statements in pounds sterling. For the convenience of the reader, the information set forth above contains translations of pound sterling amounts into U.S. dollars at the Noon Buying Rate on March 31, 1998, of (Pounds)1.00 = \$1.6765. No representation is made that the pound sterling amounts have been, could have been or could be converted into U.S. dollars at the rate indicated or any other rates. On June 30, 1998, the Noon Buying Rate was (Pounds)1.00 = \$1.6695.
- (b) Included in costs of operations for site rental and broadcast transmission for the three months ended March 31, 1998 are non-cash compensation charges for (Pounds)0.7 million (\$1.1 million) related to the issuance of stock options to certain executives and employees.
- (c) 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. Included in corporate development expenses for the three months ended March 31, 1998 are non-cash compensation charges for (Pounds)1.1 million (\$1.8 million) related to the issuance of stock options to certain executives at CTI.
- (d) As of March 31, 1998, CTI's 54 revenue producing rooftop sites were occupied by its transmitters but were not available for leasing to customers.
- (e) EBITDA is defined as operating income (loss) plus depreciation and amortization. EBITDA is presented as additional information because management believes it to be a useful indicator of CTI's 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, CTI's measure of EBITDA may not be comparable to similarly titled measures of other companies.

RISK FACTORS

Prospective investors should consider carefully the risk factors set forth below, as well as the other information appearing in this Prospectus, before making any investment in the Common Stock.

MANAGING INTEGRATION AND GROWTH

The Company's ability to implement its growth strategy depends, in part, on its successes in integrating its acquisitions, investments, joint ventures and strategic alliances into the Company's operations. The Company has grown significantly over the past 18 months through acquisitions. The Crown Merger in August 1997 was significantly larger than the Company's previous acquisitions and represented a substantial increase in the scope of the Company's business. Crown's revenues for fiscal 1996 were \$19.4 million. In contrast, CCIC's revenues for fiscal 1996 were \$6.2 million. Similarly, the Roll-Up will result in the Company having majority ownership of CTI, which had consolidated revenues in the twelve months ended December 31, 1997 of (Pounds)76.0 million (\$124.5 million). Successful integration of these transactions will depend primarily on the Company's ability to manage their combined operations and to integrate their existing management with and into CCIC's management. There can be no assurance that the Company can successfully integrate these acquired businesses or any future acquisitions into its business or implement its plans without delay and any failure or any inability to do so may have a material adverse effect on the Company's financial condition and results of operations.

Implementation of the Company's acquisition strategy may impose significant strains on the Company's management, operating systems and financial resources. Failure by the Company to manage its growth or unexpected difficulties encountered during expansion could have a material adverse effect on the Company's financial condition and results of operations. The pursuit and integration of acquisitions, investments, joint ventures and strategic alliances will require substantial attention from the Company's senior management, which will limit the amount of time available to devote to the Company's existing operations. Future acquisitions by the Company could result in the incurrence of substantial amounts of debt and contingent liabilities and an increase in amortization expenses related to goodwill and other intangible assets, which could have a material adverse effect upon the Company's financial condition and results of operations.

SUBSTANTIAL LEVERAGE; RESTRICTIONS IMPOSED BY THE TERMS OF THE COMPANY'S INDEBTEDNESS

The Company is highly leveraged. As of March 31, 1998, after giving pro forma effect to the Roll-Up, the Offering and the Senior Preferred Conversion, the Company had total consolidated indebtedness of approximately \$436.5 million and total consolidated stockholders' equity of approximately \$1,241.7 million. Also, after giving pro forma effect to the Roll-Up, the Company's earnings would have been insufficient to cover fixed charges by \$41.3 million for fiscal 1997. CCIC and its subsidiaries will be permitted to incur additional indebtedness in the future. See "Capitalization", "Management's Discussion and Analysis of Financial Condition and Results of Operations--Liquidity and Capital Resources" and "Description of Certain Indebtedness".

The degree to which the Company is leveraged could have significant adverse consequences to the Company, including, but not limited to: (i) increasing the Company's vulnerability to general adverse economic and industry conditions, (ii) limiting the Company's ability to obtain additional financing to fund future working capital, capital expenditures and other general corporate requirements, (iii) requiring the dedication of a substantial portion of the Company's cash flow from operations to the payment of principal of, and interest on, its indebtedness, thereby reducing the availability of such cash flow to fund working capital, capital expenditures or other general corporate purposes, (iv) limiting the Company's flexibility in planning for, or reacting to, changes in its business and the industry and (v) placing the Company at a competitive disadvantage vis-a-vis less leveraged competitors. See "Capitalization", "Management's Discussion and Analysis of Financial Condition and Results of Operations--Liquidity and Capital Resources" and "Description of Certain Indebtedness".

The Company's ability to meet its debt service or to fund planned capital expenditures, will depend on its future performance, which, to a certain extent, is subject to general economic, financial, competitive, legislative,

regulatory and other factors that are beyond its control. The Company's business strategy contemplates substantial capital expenditures in connection with the expansion of its tower footprints. Based on the Company's current operations and anticipated revenue growth, management believes that cash flow from operations and available cash, together with the net proceeds of the Offering and available borrowings under the Senior Credit Facility and CTI Credit Facility (as defined), will be sufficient to fund the Company's anticipated capital expenditures for the foreseeable future. However, in the event the Company consummates any significant acquisitions, including any of the significant acquisitions that the Company is currently pursuing, or exceeds its currently anticipated capital expenditures, the Company anticipates that it will need to seek additional equity or debt financing to fund its business plan. Failure to obtain any such financing could require the Company to significantly reduce its planned capital expenditures and forego these acquisition opportunities and could have a material adverse effect on the Company's ability to achieve its business strategy. In addition, the Company may need to refinance all or a portion of its indebtedness on or prior to its scheduled maturity. There can be no assurance that the Company will generate sufficient cash flow from operations in the future, that anticipated revenue growth will be realized or that future borrowings, equity contributions or loans from affiliates will be available in an amount sufficient to service its indebtedness and make anticipated capital expenditures. In addition, there can be no assurance that the Company will be able to effect any required refinancings of its indebtedness on commercially reasonable terms or at all. See "--Holding Company Structure; Dependence on Dividends to Meet Cash Requirements or Pay Dividends" and "Management's Discussion and Analysis of Financial Condition and Results of Operations".

The terms of the Company's debt instruments contain numerous restrictive covenants, including but not limited to covenants that restrict the ability of the Company and its subsidiaries to incur indebtedness, pay dividends, create liens, sell assets and engage in certain mergers and acquisitions. In addition, some of such indebtedness requires certain of the Company's subsidiaries to maintain certain financial ratios. The ability of the Company to comply with the covenants and other terms of its indebtedness and to satisfy its respective debt obligations will depend on the future operating performance of the Company. In the event the Company fails to comply with the various covenants contained in its debt instruments, it would be in default thereunder, and in certain of such cases, the maturity of substantially all of its long-term indebtedness could be accelerated. See "Description of Certain Indebtedness".

RISKS RELATED TO AGREEMENTS WITH TdF

In connection with the Roll-Up, the Company has entered into certain agreements with TdF that grant TdF certain significant protective rights with respect to the governance of the Company and CTI, the ownership of CTI and the disposition of its shares in the Company and CTI. See "The Roll-Up".

Governance Rights. The Company has granted to TdF certain rights with respect to the governance of the Company, including (i) the ability to prohibit the Company from entering into certain material transactions, (ii) the issuance to TdF of shares of Class A Common Stock, which gives TdF the right to elect up to two of the twelve members of the Company's Board of Directors, and (iii) subject to certain conditions, the inclusion on each of the executive committee, the nominating and corporate governance committee of the Company's Board of Directors of at least one director elected by TdF. In addition to its governance rights with respect to the Company, TdF has significant governance rights with respect to CTI which, after giving pro forma effect to the Roll-Up, would have accounted for approximately 68.8% of the Company's revenues in 1997. Following consummation of the Roll-Up, although TdF will hold only a 20% equity interest in CTI, TdF's rights with respect to CTI will be generally characteristic of the rights of a 50% partner to a joint venture.

While TdF's rights with respect to the governance of the Company and CTI are subject to certain limitations and forfeiture by TdF in certain circumstances, during the period in which such rights are exercisable by TdF, such rights will give TdF (whose ultimate parent is France Telecom) and its affiliates the ability to exert significant control over the governance of the Company and CTI. The exercise of such rights by TdF may be contrary to the interests of the Company's other stockholders generally, and may prevent the Company and/or CTI from entering into transactions that the Company's Board of Directors deems to be in the best interests of the Company and its stockholders. See "-- Anti-Takeover Provisions".

CTSH Option. In addition to TdF's governance rights with respect to the Company and CTI described above, in the event of (i) the sale of all or substantially all of the Company's assets, (ii) a merger, consolidation or similar transaction that would result in any person owning more than 50% of the Company's voting power or equity securities, (iii) an unsolicited acquisition by any person of more than 25% (or 30% if the Company elects by notice in writing to TdF) of such securities or (iv) certain other circumstances relating to an acquisition by any person that would give rise to a right of the BBC to terminate the BBC Analog Transmission Contract (as defined) or the BBC Digital Transmission Contract (as defined) (each, a "Triggering Event"), which Triggering Event is not approved by TdF, TdF will have the right, subject to certain conditions, to acquire all of the Company's shares of capital stock of CTSH or to require the Company to purchase all of TdF's shares of capital stock of CTSH, in each case at fair market value. Further, immediately prior to the occurrence of a Triggering Event, TdF will have the right to require the Company to purchase 50% of the Class A Common Stock held by TdF and its affiliates in cash at a price per share equal to the price to be paid upon consummation of the Triggering Event. See "The Roll-Up".

TdF's right to purchase the Company's shares of CTSH upon a Triggering Event may have the effect of preventing a change of control of the Company. If the Company were required to sell its shares in CTSH to TdF, it would no longer own or conduct the CTI business. Alternatively, if the Company were required to purchase all of TdF's shares of CTSH and/or purchase 50% of the Class A Common Stock held by TdF and its affiliates, there can be no assurance that the Company would have the necessary funds to do so or that such purchase would be permitted under the terms of the Company's debt instruments. If the Company did not have sufficient funds to purchase TdF's shares of capital stock of CTSH or TdF's and TdF's affiliates' shares of Class A Common Stock, the Company would need to seek additional financing. There can be no assurance that any such financing could be obtained on terms acceptable to the Company, or at all. In the absence of such financing, the Company could be forced to dispose of other assets under circumstances that might not be favorable to realizing the highest price for such assets in order to obtain the funds to purchase the TdF shares. In addition, the obligation to purchase the TdF shares could result in an event of default under the terms of the Company's outstanding indebtedness.

Liquidity Rights. If on or before the second anniversary of the consummation of the Roll-Up (i) TdF has not exchanged its shares of capital stock of CTSH in accordance with the Governance Agreement (as defined) or (ii) TdF has ceased to be Qualified (as defined) for purposes of the Governance Agreement, TdF will thereafter have the right to require the Company to purchase all of TdF's shares of capital stock of CTSH at their fair market value. The Company may elect to pay for such shares either (i) in cash or (ii) in shares of its Common Stock at a discount of 15% to the market value of such Common Stock. See "The Roll-Up". There can be no assurance that the Company will have sufficient funds to purchase such shares for cash in connection with any put of TdF's shares of capital stock of CTSH. If the Company does not have sufficient funds for such purchase, it would either have to seek additional financing or purchase such shares with its Common Stock. There can be no assurance that any such financing could be obtained on terms acceptable to the Company, if at all. If the Company were to issue shares of its Common Stock to effect the purchase, such issuance would result in substantial dilution of the Company's other stockholders, could adversely affect the market price of the Common Stock and could impair the Company's ability to raise additional capital through the sale of its equity securities. See "--Dilution".

BROAD DISCRETION IN APPLICATION OF PROCEEDS

A substantial portion of the estimated net proceeds from the Offering will be allocated to the Company's working capital and general corporate purposes and may be applied to as yet unidentified acquisitions, investments or joint ventures in the United States or abroad. Due to the number and variability of factors that will be analyzed before the Company determines how to use such net proceeds, the Company will have broad discretion in allocating a significant portion of the net proceeds from the Offering without any action or approval of the Company's stockholders. Accordingly, investors will not have the opportunity to evaluate the economic, financial and other relevant information that will be considered by the Company in determining the application of such net proceeds. See "Use of Proceeds".

HOLDING COMPANY STRUCTURE; DEPENDENCE ON DIVIDENDS TO MEET CASH REQUIREMENTS OR PAY DIVIDENDS

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 is distributions with respect to its ownership interest in its subsidiaries from the net earnings and cash flow generated by such subsidiaries. CCIC currently expects that the earnings and cash flow of its subsidiaries will be retained and used by such subsidiaries in their operations, including to service their respective debt obligations. Even if CCIC determined to pay a dividend on or make a distribution in respect of the capital stock of its subsidiaries, there can be no assurance that CCIC's subsidiaries will generate sufficient cash flow to pay such a dividend or distribute such funds to CCIC or that applicable state law and contractual restrictions, including negative covenants contained in the debt instruments of such subsidiaries, will permit such dividends or distributions. Furthermore, the terms of the Senior Credit Facility and the Notes place restrictions on CCI's ability, and the terms of the CTI Credit Facility and the CTI Bonds (as defined) place restrictions on CTI's 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. In addition, CCIC's subsidiaries will be permitted under the terms of their existing debt instruments to incur certain 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 Leverage; Restrictions Imposed by the Terms of the Company's Indebtedness" and "Description of Certain Indebtedness".

RISKS ASSOCIATED WITH CONSTRUCTION AND ACQUISITIONS OF TOWERS

The Company's growth strategy depends on its ability to construct, acquire and operate towers in conjunction with the expansion of wireless communications carriers. As of April 30, 1998, the Company had 26 towers under construction and had plans to commence construction on an additional 168 towers by the end of 1998. The Company's ability to construct new towers can be affected by a number of factors beyond its 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. There can be no assurance that: (i) the Company will be able to overcome the barriers to new construction; (ii) the number of towers planned for construction will be completed in accordance with the requirements of the Company's customers; or (iii) there will be a significant need for the construction of new towers once the wireless communications carriers complete their tower network infrastructure build-out. Further, the Company competes with certain wireless communications carriers, broadcasters, site developers and other independent tower owners and operators for acquisitions of towers, and expects such competition to increase. Increased competition for acquisitions may result in fewer acquisition opportunities for the Company, as well as higher acquisition prices. The Company regularly explores acquisition opportunities. However, there can be no assurance that the Company will be able to identify suitable towers to acquire in the future. In addition, the Company may need to seek additional debt or equity financing in order to fund properties it seeks to acquire. The availability of additional financing cannot be assured and depending on the terms of proposed acquisitions and financing, could be restricted by the terms of the Company's debt instruments. No assurance can be given that the Company will be able to identify, finance and complete future construction and acquisitions on acceptable terms or that the Company will be able to manage profitably and market under-utilized capacity on additional towers. The extent to which the Company is unable to construct or acquire additional towers, or manage profitably such tower expansion, may have a material adverse effect on the Company's financial condition and results of operation.

In addition, the time frame for the current wireless build-out cycle may be limited to the next few years, and many PCS and PCN networks have already been built out in large markets. A failure by the Company to move quickly and aggressively to obtain growth capital and capture this infrastructure opportunity could have a material adverse effect on the Company's financial condition and results of operations.

DEPENDENCE ON DEMAND FOR WIRELESS COMMUNICATIONS; RISK ASSOCIATED WITH NEW TECHNOLOGIES

Demand for the Company's site rentals is dependent on demand for communication sites from wireless communications carriers, which, in turn, is dependent on the demand for wireless services. Most types of wireless services currently require ground-based network facilities, including communication sites for transmission and reception. The extent to which wireless communications carriers lease such communication sites depends on a number of factors beyond the Company's control, including the level of demand for such wireless services, the financial condition and access to capital of such carriers, the strategy of carriers with respect to owning or leasing communication sites, government licensing of broadcasting rights, changes in telecommunications regulations and general economic conditions.

The wireless communications industry has undergone significant growth in recent years. A slowdown in the growth of, or reduction in, demand in a particular wireless segment could adversely affect the demand for communication sites. For example, the Company anticipates that a significant amount of its revenues over the next several years will be generated from carriers in the PCS and PCN market and, as such, the Company will be subject to downturns in PCS and PCN demand. Moreover, wireless communications carriers often operate with substantial leverage, and financial problems for the Company's 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 systems, could reduce the need for land-based transmission and reception networks. The occurrence of any of these factors could have a material adverse effect on the Company's financial condition and results of operations.

VARIABILITY IN DEMAND FOR NETWORK SERVICES

Demand for the Company's 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 communications carriers' tower build-outs, timing of existing customer contracts and general economic conditions. While such demand fluctuates, the Company 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. Consequently, the operating results of the Company's network services businesses for any particular period may vary significantly, and should not be considered as necessarily being indicative of longer-term results. For example, the Company experienced a decline, as compared to the two previous quarters, in demand for its network services business in the fourth quarter of 1997 and the first quarter of 1998. There can be no assurance that the demand for such business will return to the level of the two previous quarters. Furthermore, as wireless communications carriers complete their build-outs, the need for the construction of new towers and the demand for certain network services could decrease significantly and could result in fluctuations and, possibly, significant declines in the Company's operating performance.

COMPETITION

The Company competes for site rental customers with (i) wireless communications carriers that own and operate their own tower footprints and lease, or may in the future decide to lease, antenna space to other carriers, (ii) site development companies which acquire antenna space on existing towers for wireless communications carriers and manage new tower construction, (iii) other independent tower companies and (iv) traditional local independent tower operators. Wireless communications carriers that own and operate their own tower footprints generally are substantially larger and have greater financial resources than the Company. The Company believes that tower location and 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 the site rental business.

The Company competes for acquisition and new tower construction opportunities with wireless communications carriers, site developers and other independent tower operators. The Company believes that

competition for tower acquisitions will increase and that additional competitors will enter the tower market. These additional competitors may have greater financial resources than the Company.

NTL, which owns the privatized engineering division of the Independent Broadcasting Authority, is the Company's principal competitor in the terrestrial broadcast transmission market in the United Kingdom. There can be no assurance that the Company will not encounter significant competition from NTL for its transmission business with the BBC or BDB following the expiration of the Company's current contracts with such broadcasters. See "--Reliance on Significant Agreements".

RELIANCE ON SIGNIFICANT AGREEMENTS

While the Company generally has a diverse customer base, the BBC, Nextel and NTL accounted for approximately 45.9%, 9.6% and 6.6%, respectively, of the Company's pro forma revenues for the three months ended March 31, 1998.

The Company's broadcast transmission business is substantially dependent on contracts with the BBC. See "Business--U.K. Operations--Significant Contracts". The prices that the Company may charge the BBC for analog television and radio transmission services are subject to regulation by the U.K. Office of Telecommunications ("OFTEL"). See "--Regulatory Compliance and Approval". The BBC Analog Transmission Contract expires on March 31, 2007, and the BBC Digital Transmission Contract will expire 12 years after the date on which the Company commences digital terrestrial transmission services on a commercial basis for the BBC, which is expected to be November 1, 1998. In addition, the BBC Digital Transmission Contract may be terminated by the BBC during the three-month period following the fifth anniversary of the Company's commencement of digital terrestrial transmission services for the BBC if the BBC's Board of Governors determines, in its sole discretion, that DTT in the United Kingdom does not have sufficient viewership to justify continued DTT broadcasts. There can be no assurance that the BBC will renew its contracts with the Company upon expiration of the current contracts, that they will not negotiate terms less favorable to the Company or that they would not seek to obtain from third parties a portion of the transmission services currently provided by the Company. The loss of the BBC contracts would have a material adverse effect on the Company's business, results of operations and financial condition.

As of April 30, 1998, the Company had constructed or purchased 92 towers for Nextel, was in the process of constructing or receiving permits for 30 towers for Nextel and had the option to construct or purchase up to 117 additional towers for Nextel. See "Business--U.S. Operations--Significant Contracts". Nextel may terminate the Nextel Agreement (as defined) if the Company fails to complete the construction of towers within an agreed period or if Nextel exercises its purchase option (following certain construction delays by the Company) for the greater of five towers or 5% of the aggregate number of total sites committed to within a rolling eight-month period. Furthermore, the Nextel Agreement may be terminated by Nextel upon either the insolvency or liquidation of the Company. The Nextel Agreement represents a significant part of the Company's business strategy, and the Company expects Nextel to represent an even larger portion of its business in the future. Termination of the Nextel Agreement could have a material adverse effect on the Company's ability to achieve its business strategy.

In order to optimize service coverage in the United Kingdom and enable viewers to receive all analog UHF television services using one receiving antenna, pursuant to the Site-Sharing Agreement (as defined), CTI and NTL made arrangements to share all UHF television sites. See "Business--U.K. Operations--Significant Contracts". Negotiations are in progress between the Company and NTL to amend the Site-Sharing Agreement to account for the build-out of digital transmission sites and equipment, a new rate card related to site sharing fees for new digital facilities and revised operating and maintenance procedures. The Site-Sharing Agreement may be terminated with five years' prior notice by either of the parties and in certain other circumstances and expires on December 31, 2005 or on any tenth anniversary of that date. Although the Company does not anticipate that the Site-Sharing Agreement will be terminated, there can be no assurance that such a termination will not occur. Termination of the Site-Sharing Agreement could have a material adverse effect on the Company's business, results of operations and financial condition.

The Company is subject to a variety of foreign, federal, state and local regulation. In the United States, both the FCC and the Federal Aviation Administration (the "FAA") regulate towers and other sites used for wireless communications transmitters and receivers. Such regulations control siting and marking of towers and may, depending on the characteristics of the tower, require registration of tower facilities. Wireless communications devices operating on towers are separately regulated and independently licensed based upon the regulation of the particular frequency used. Most proposals to construct new antenna structures or to modify existing antenna structures are reviewed by both the FCC and the FAA to ensure that a structure will not present a hazard to aviation. Owners of towers may have an obligation to paint them or install lighting to conform to FCC standards and to maintain such painting or lighting. Tower owners may also bear the responsibility for notifying the FAA of any tower lighting failures. The Company generally indemnifies its customers against any failure to comply with applicable standards. Failure to comply with applicable requirements may lead to civil penalties or require the Company to assume costly indemnification obligations. Local regulations include city or 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 regulations can delay or prevent new tower construction or site upgrade projects, thereby limiting the Company's ability to respond to customers' demands. In addition, such regulations increase the costs associated with new tower construction. There can be no assurance 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 such delays or result in additional costs to the Company. Such factors could have a material adverse effect on the Company's financial condition and results of operations.

In the United Kingdom, both OFTEL and the Radiocommunications Agency regulate and monitor telecommunications and frequency licensing for sites used for wireless communications transmitters and receivers. Site rental fees for broadcasting (but not telecommunications) are also subject to price regulation by OFTEL. Regulatory approvals required to construct or materially alter towers include Civil Aviation Authority (the "CAA") approval, to ensure new antenna structures do not present a hazard to aviation, and local government planning authority clearance. In addition, international frequency clearance may be required to avoid any potential European transmission interference. Such regulation may delay, restrict or prevent such construction or alteration, thereby limiting the Company's ability to respond to customers' demands. There can be no assurance 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 such delays or result in additional costs to the Company. Such factors could have a material adverse effect on the Company's financial condition and results of operations.

Since the BBC Analog Transmission Contract was signed, the BBC has increased its service requirements to include (i) 24-hour broadcasting on the Company's terrestrial transmission network for the BBC's two national television services and (ii) a requirement for CTI to add a number of filler stations to its network to extend existing BBC services. The BBC has agreed to increases of approximately (Pounds)800,000 (\$1,341,200) per year in the charges payable by the BBC to CTI, as provided under the BBC Analog Transmission Contract, for these service enhancements. The additional charges may necessitate an amendment to CTI's Transmission Telecommunications License. OFTEL, the relevant regulatory authority in the United Kingdom, has confirmed in initial discussions with CTI that it is not OFTEL's intention to prevent the provision of such additional services to the BBC at an additional charge. CTI is discussing with OFTEL 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. While the Company expects the license to be amended, there can be no assurance as to the final resolution of these issues with OFTEL.

The Company's customers may also become subject to new regulations or regulatory policies which adversely affect the demand for communication sites. In addition, as the Company pursues international opportunities, it will be subject to regulation in foreign jurisdictions.

The Company is also subject to laws and regulations relating to worker health and safety. Failure to comply with such laws and regulations could have a material adverse effect on the Company's business, results of operation, or financial condition. See "Business--Regulatory Matters".

ENVIRONMENTAL MATTERS

The Company's operations are subject to foreign, federal, state and local laws and regulations regarding the management, use, storage, disposal, emission, release and remediation of, and exposure to, hazardous and nonhazardous substances, materials or wastes ("Environmental Laws"). Under certain Environmental Laws, the Company could be held strictly, jointly and severally liable for the remediation of hazardous substance contamination at its current or former facilities or at third-party waste disposal sites, and also could be subject to personal injury or property damage claims related to such contamination. Although the Company believes that it is in substantial compliance with all applicable Environmental Laws, there can be no assurance that the costs of compliance with existing or future Environmental Laws will not have a material adverse effect on the Company's financial condition and results of operations. See "Business--Environmental Matters".

PERCEIVED HEALTH RISKS ASSOCIATED WITH RADIO FREQUENCY EMISSIONS

The Company and the wireless communications carriers that utilize the Company's towers are subject to government requirements and other guidelines relating to radio frequency ("RF") emissions. The potential connection between RF 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 the Company has not been subject to any claims relating to RF emissions, there can be no assurance that it will not be subject to such claims in the future. See "--Environmental Matters" and "Business--Environmental Matters".

RISKS ASSOCIATED WITH INTERNATIONAL OPERATIONS

The Company conducts business in countries outside the United States, which exposes the Company to fluctuations in foreign currency exchange rates. In 1997, after giving pro forma effect to the Roll-Up, approximately 68.8% of the Company's consolidated revenues would have originated outside the United States, all of which were denominated in currencies other than U.S. dollars (principally pounds sterling). The Company has not historically engaged in significant hedging activities with respect to its non-U.S. dollar operations.

The Company's international operations are subject to other risks, such as the imposition of government controls, inflation, tariff or taxes and other trade barriers, difficulties in staffing and managing international operations, price, wage and exchange controls, and political, social and economic instability. There can be no assurance that these and other factors will not have a material adverse effect on the Company's financial condition or results of operations.

DEPENDENCE ON PRINCIPAL EXECUTIVE OFFICERS

The Company's existing operations and continued future development are dependent to a significant extent upon the performance and the active participation of certain key individuals, including the senior management of the Company and its subsidiaries. There can be no assurance that the Company will be successful in retaining the services of these, or its other, key personnel. None of the Company's employees are subject to noncompetition agreements with the Company. The loss of the services of one or more of the Company's key personnel could adversely affect the Company's financial condition and results of operations. See "Management--Executive Compensation--Crown Arrangements".

YEAR 2000 COMPLIANCE

The Company is in the process of conducting a comprehensive review of its computer systems to identify which of its systems will have to be modified, upgraded or converted to recognize and process dates after December 31, 1999 (the "Year 2000 Issue"), and is in the initial stages of developing an implementation plan

to resolve the issue. The Company expects to incur internal staff costs, as well as other expenses, related to testing and updating its systems to prepare for the Year 2000. The Company presently believes that, with modifications and upgrades to existing software and successful conversion to new software, the Year 2000 Issue will not pose significant operational problems for the Company's systems as so modified, upgraded or converted. Although the Company is in the initial phases of determining the impact of the Year 2000 Issue, the Company anticipates it will be fully Year 2000 compliant by September 1, 1999; however, any delays or omissions by the Company or its customers, suppliers or contractors to resolve the Year 2000 Issue could materially adversely affect the Company's business, financial condition or results of operations. There can be no assurance that amounts to be spent on addressing the Year 2000 Issue will not be material.

ANTI-TAKEOVER PROVISIONS

Certain provisions of the Certificate of Incorporation, the Amended and Restated Bylaws (the "By-laws") and operative agreements entered into in connection with the Roll-Up could make it more difficult for a third party to acquire, and could discourage a third party from attempting to acquire, control of the Company. These provisions include, but are not limited to, the right of the holders of the Class A Common Stock to elect up to two members of the Board of Directors, a staggered Board of Directors, the authority of the Board of Directors to issue shares of undesignated preferred stock in one or more series without the specific approval of the holders of Common Stock (other than the holders of the Class A Common Stock), the establishment of advance notice requirements for director nominations and actions to be taken at annual meetings and the requirement that the holders of the Class A Common Stock approve certain changes to the Certificate of Incorporation or the By-laws. In addition, the By-laws permit special meetings of the stockholders to be called only upon the request of a majority of the Board of Directors, and deny stockholders the ability to call such meetings. Pursuant to the Governance Agreement, subject to certain conditions, TdF has the right to purchase the Company's equity interest in CTSH upon the occurrence of a Triggering Event that is not approved by TdF. In addition, subject to certain limitations, the BBC Analog Transmission Contract and the BBC Digital Transmission Contract may be terminated upon the occurrence of certain change of control events (as defined in such contracts). Such provisions, as well as the provisions of Section 203 of the Delaware General Corporation Law (to which the Company is subject), could impede a merger, consolidation, takeover or other business combination involving the Company or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of the Company. In certain circumstances, the fact that corporate devices are in place that will inhibit or discourage takeover attempts could reduce the market value of the Common Stock. See "Description of Capital Stock", "--Risks Related to Agreements with TdF" and "The Roll-Up".

SHARES ELIGIBLE FOR FUTURE SALE

Sales of a substantial number of shares of Common Stock after the Offering could adversely affect the market price of the Common Stock and could impair the Company's ability to raise capital through the sale of equity securities. Upon completion of the Offering, the Company will have 97,728,545 shares of Common Stock outstanding (98,246,575 shares if the over-allotment option is exercised in full). In addition, the Company has reserved for issuance 16,182,350 shares of Common Stock upon exercise of outstanding stock options, 1,314,990 shares of Common Stock upon exercise of outstanding warrants and 11,340,000 shares of Common Stock for the conversion of the outstanding Class A Common Stock. The 31,250,000 shares (35,937,500 if the over-allotment option is exercised in full) sold in the Offering will be freely transferable without restriction under the Securities Act, unless they are held by "affiliates" of the Company as that term is used under the Securities Act. The remaining 66,478,545 shares of Common Stock outstanding (62,309,075 if the over-allotment option is exercised in full) will be "restricted securities" as that term is defined in Rule 144 and may only be sold pursuant to a registration statement under the Securities Act or an applicable exemption from registration. Approximately 64,000,000 shares (81,500,000 including shares issuable upon conversion or exercise of outstanding securities) will be subject to demand and piggyback registration rights. In addition, the Company estimates that upon the expiration of the 180-day lock-up period described below, approximately 45,500,000 shares may be sold under Rule 144, subject to the volume restrictions contained therein.

In connection with the Offering and subject to certain exceptions, the Company and, with certain limited exceptions, all existing stockholders of the Company will be required not to sell any shares of Common Stock (including shares under options and warrants) for a period of 180 days after the date of this Prospectus without the prior written consent of Lehman Brothers Inc. In addition to certain typical exceptions to such "lock-up" agreements, all employees of the Company and its subsidiaries (excluding Mr. Crown, certain executive officers and the directors of the Company) will each be permitted to sell during the 180-day period described above up to 12% of the shares of Common Stock beneficially owned or held under option by such employee as of the date of this Prospectus, subject to compliance with the registration requirements of the Securities Act or pursuant to an exemption therefrom. In addition, the lock-up will not prohibit sales of shares received from the exercise of options granted under the CTSB All Employee Share Option Scheme, which options will be fully vested upon consummation of the Offering and which represent 285,350 shares of Common Stock. Moreover, any shares subject to such lock-up agreements may be released at any time without notice with the consent of Lehman Brothers Inc. See "Underwriting".

DILUTION

Persons purchasing shares of Common Stock in the Offering will incur immediate and substantial dilution in net tangible book value per share. Assuming an initial public offering price of \$18.00 per share, purchasers of shares in the Offering will experience dilution of \$13.31 per share. In addition, pursuant to the Governance Agreement, until the second anniversary of the closing of the Roll-Up, TdF has the right, and in certain circumstances the Company can require TdF, to exchange its CTSB shares and warrants for CTSB shares for shares of Class A Common Stock (which is convertible into Common Stock) and warrants for Class A Common Stock (which is convertible into Common Stock) of the Company. Such exchange would be based on the Exchange Ratio and, as a result, could result in substantial additional dilution. Furthermore, in certain circumstances, TdF can require the Company to purchase all of TdF's equity interest in CTSB at its fair market value, which purchase may be made, at the election of the Company, in shares of Common Stock valued at a discount of 15% to its then current market value. If the Company were to make such an election, it would result in substantial additional dilution. In addition, to the extent that outstanding options and warrants to purchase Common Stock are exercised, there could be substantial additional dilution. See "--Risks Related to Agreements with TdF", "Dilution" and "The Roll-Up".

NO PRIOR MARKET FOR THE COMMON STOCK; POSSIBLE VOLATILITY OF SHARE PRICE

Prior to the Offering, there has been no public market for the Common Stock, and there can be no assurance that an active trading market will develop upon completion of the Offering or, if it does develop, that such market will be sustained. The initial public offering price of the Common Stock will be determined by negotiation among the Company and the representatives of the Underwriters, and may not be representative of the price that will prevail in the open market. See "Underwriting" for a discussion of the factors that will be considered in determining the initial public offering price.

The market price of the Common Stock after the Offering may be significantly affected by factors such as quarterly variations in the Company's results of operations, the announcement of new contracts by the Company or its competitors, technological innovation by the Company or its competitors and general market conditions specific to particular industries. Such fluctuations may adversely affect the market price of the Common Stock.

USE OF PROCEEDS

The net proceeds to the Company from the sale of the shares of Common Stock offered hereby are estimated to be approximately \$465.3 million, assuming a public offering price of \$18.00 per share and after deducting estimated underwriting discounts, transaction fees and expenses of the Offering payable by the Company. The net proceeds to the Company of the Offering will be used for working capital and general corporate purposes including (i) acquisitions, investments and joint ventures and (ii) capital expenditures associated with (a) the buildout of new infrastructure in the United Kingdom to support DTT and (b) the construction of new towers.

Due to the number and variability of factors that will be analyzed before the Company determines how to use the net proceeds of the Offering, the Company will have broad discretion in allocating a significant portion of such net proceeds without any action or approval of the Company's stockholders. Accordingly, investors will not have the opportunity to evaluate the economic, financial and other relevant information that will be considered by the Company in determining the application of such net proceeds. See "Risk Factors--Broad Discretion in Application of Proceeds".

DIVIDEND POLICY

No dividends have ever been paid by the Company on the Common Stock, and the Company does not anticipate paying dividends in the foreseeable future. Any determination to pay cash dividends in the future will be at the discretion of the Company's Board of Directors and will depend upon the Company's results of operations, financial condition, contractual restrictions and other factors deemed relevant at that time by the Company's Board of Directors.

The ability of the Company to pay dividends on the Common Stock is dependent upon the ability of its subsidiaries to pay dividends, or otherwise loan, advance or transfer funds, to the Company. The terms of the Company's indebtedness impose limitations on the ability of the Company to pay dividends or make other distributions on its capital stock. See "Risk Factors--Substantial Leverage; Restrictions Imposed by the Terms of the Company's Indebtedness", "Risk Factors--Holding Company Structure; Dependence on Dividends to Meet Cash Requirements or Pay Dividends" and "Description of Certain Indebtedness".

DILUTION

Dilution is the amount by which the offering price paid by the purchasers of the Common Stock offered hereby will exceed the net tangible book value per share of Common Stock after the Offering. Net tangible book value per share is determined at any date by subtracting the total liabilities and minority interests of the Company from the total book value of the tangible assets of the Company and dividing the difference by the number of shares of Common Stock deemed to be outstanding (including shares issuable upon conversion of outstanding shares of Class A Common Stock) at such date.

The net tangible book value of the Company, after giving effect to the Roll-Up and the Senior Preferred Conversion, on March 31, 1998 was approximately \$46.4 million or \$0.57 per share. After giving effect to the receipt of approximately \$465.3 million of estimated net proceeds from the sale by the Company of 27,500,000 shares of Common Stock pursuant to the Offering (assuming a public offering price of \$18.00 per share), the pro forma net tangible book value of the Company at March 31, 1998 would have been approximately \$511.7 million or \$4.69 per share. This represents an immediate increase in pro forma net tangible book value of \$4.12 per share to the existing stockholders and an immediate dilution of \$13.31 per share to new investors purchasing shares of Common Stock in the Offering. The following table illustrates the substantial and immediate per share dilution to new investors:

	PER SHARE

Assumed initial public offering price per share (a).....	\$18.00
Pro forma net tangible book value before the Offering.....	\$0.57
Increase per share attributable to new investors.....	4.12

Pro forma net tangible book value after the Offering.....	4.69

Dilution per share to new investors (b).....	\$13.31
	=====

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- (a) Before deducting underwriting discounts and estimated transaction fees and expenses of \$29.7 million to be paid by the Company in connection with the Offering.
- (b) Dilution is determined by subtracting net tangible book value per share after the Offering from the amount assumed paid by a new investor per share of Common Stock.

The following table summarizes the difference among existing stockholders (determined as if the Offering had occurred on March 31, 1998), stockholders receiving shares in the Roll-Up ("Roll-Up stockholders") (determined as if the Roll-Up had occurred on March 31, 1998) and new investors with respect to the number of shares of Common Stock purchased from the Company, the total consideration paid to the Company and the average price paid per share (assuming an initial public offering price of \$18.00 per share).

	SHARES PURCHASED		TOTAL CONSIDERATION		AVERAGE PRICE PER SHARE
	NUMBER	PERCENTAGE	AMOUNT	PERCENTAGE	
	-----	-----	-----	-----	-----
New investors.....	27,500,000	25.2%	\$495,000,000	62.8%	\$18.00
Roll-Up stockholders....	32,207,700(a)	29.5	77,137,442(b)	9.8	2.40
Existing stockholders...	49,471,490(a)	45.3	216,573,552	27.4	4.38
	-----	-----	-----	-----	-----
Total.....	109,179,190	100.0%	\$788,710,994	100.0%	\$ 7.22
	=====	=====	=====	=====	=====

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- (a) Does not include 22,257,360 shares of Common Stock reserved for issuance under the Company's stock option plans or 1,314,990 shares of Common Stock issuable upon the exercise of outstanding warrants. See "Management--Executive Compensation--Stock Option Plans" and "Underwriting".
- (b) Assumes that each of the 4,601,100,000 shares of capital stock of CTSB exchanged in the Roll-Up for shares of Common Stock was acquired by the Roll-Up stockholders for 1 pence per share (or total consideration of (Pounds)46,011,000 (\$77,137,442) at an exchange rate of (Pounds)1.00=\$1.6765)).

All of the foregoing computations include the 11,340,000 shares of Class A Common Stock owned by DFI, which are convertible into an aggregate of 11,340,000 shares of Common Stock. See "The Roll-Up". The foregoing tables and discussion assume no exercise of stock options or warrants after March 31, 1998 and exclude (i) 4,685,510 shares issuable upon exercise of stock options outstanding as of March 31, 1998 having a weighted average exercise price of \$5.34 per share under the Company's 1995 Stock Option Plan, (ii) 13,314,490 additional shares authorized for issuance under the Company's 1995 Stock Option Plan, (iii) warrants to purchase 1,314,990 shares of Common Stock at an exercise price of \$7.50 per share and (iv) 17,443,500 additional shares of Common Stock issuable upon exercise of the TdF Put Right or the Company Call Right. In addition, in certain circumstances, TdF may require the Company to repurchase the shares of capital stock of CTSH held by TdF at fair market value. Pursuant to the Governance Agreement, the Company could elect to pay for such shares in shares of its Common Stock at a discount of 15% to their market value. If the Company were to issue shares of its Common Stock to effect the purchase, such issuance would result in substantial dilution to the Company's other stockholders. Since March 31, 1998, the Company has granted options to purchase an additional 7,239,480 shares of Common Stock, of which options for 3,649,480 shares have an exercise price of \$7.50 and options for 3,590,000 shares have an exercise price of \$18.00. To the extent that outstanding stock options or warrants are exercised, there will be further dilution to new investors. See "Risk Factors--Risks Related to Agreements with TdF", "Risk Factors--Dilution", "Capitalization", "Management--Executive Compensation--Stock Option Plan" and Notes 7 and 8 of Notes to Consolidated Financial Statements.

CAPITALIZATION

The following table sets forth as of March 31, 1998 (i) the historical capitalization of the Company and (ii) the pro forma capitalization of the Company after giving effect to the Roll-Up, the Offering and the Senior Preferred Conversion. See "The Roll-Up". The information set forth below should be read in conjunction with "Unaudited Pro Forma Condensed Consolidated Financial Statements", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements and the notes thereto included elsewhere in this Prospectus.

	MARCH 31, 1998	
	ACTUAL	PRO FORMA
	(DOLLARS IN THOUSANDS)	
Cash and cash equivalents.....	\$ 53,395	\$ 532,064
Notes payable and current maturities of long-term debt.....	\$ --	\$ --
Long-term debt (less current maturities):		
Senior Credit Facility (a).....	\$ 31,750	\$ 31,750
10 5/8% Senior Discount Notes due 2007.....	155,549	155,549
CTI Credit Facility (a).....	--	46,949
9% Guaranteed Bonds due 2007.....	--	202,268
Total long-term debt.....	187,299	436,516
Minority interests.....	--	37,693
Redeemable preferred stock (\$.01 par value; 6,435,228 shares authorized, actual; 10,000,000 shares authorized, pro forma):		
Senior Convertible Preferred Stock (657,495 shares issued, actual).....	70,003	--
Series A Convertible Preferred Stock (1,383,333 shares issued, actual).....	8,300	--
Series B Convertible Preferred Stock (864,568 shares issued, actual).....	10,375	--
Series C Convertible Preferred Stock (3,529,832 shares issued, actual).....	74,126	--
Total redeemable preferred stock.....	162,804	--
Stockholders' equity:		
Common stock (\$.01 par value; 11,511,109 shares authorized, actual):		
Existing Class A Common Stock (1,041,565 shares issued, actual).....	2	--
Existing Class B Common Stock (9,367,165 shares issued, actual).....	19	--
Common Stock (\$.01 par value; 600,000,000 shares authorized and 97,728,545 shares issued, pro forma).....	--	977
Class A Common Stock (\$.01 par value; 90,000,000 shares authorized and 11,340,000 shares issued, pro forma).....	--	113
Additional paid-in capital.....	58,358	1,265,107
Cumulative foreign currency translation adjustment.....	1,233	1,233
Accumulated deficit.....	(25,700)	(25,700)
Total stockholders' equity.....	33,912	1,241,730
Total capitalization.....	\$ 384,015	\$ 1,715,939

(a) As of June 30, 1998, the Company's principal U.S. subsidiary, CCI, had approximately \$27.8 million of unused borrowing availability under the Senior Credit Facility, and the Company's principal U.K. subsidiary, CTI, had approximately (Pounds)35.0 million (\$58.4 million) of unused borrowing availability under the CTI Credit Facility. See "Description of Certain Indebtedness".

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The following unaudited pro forma condensed consolidated financial statements (the "Pro Forma Financial Statements") are based on the historical financial statements of CCIC and the historical financial statements of the entities acquired by CCIC (including TEA and Crown) during the periods presented, adjusted to give effect to the following transactions (collectively, the "Transactions"): (i) the CTI Investment, (ii) the TEA Acquisition, (iii) the acquisition of TeleStructures (the "TeleStructures Acquisition"), (iv) the Crown Merger (together with the acquisitions described in clauses (i), (ii) and (iii), the "Acquisitions"), (v) the 1997 Refinancing, (vi) the Roll-Up, (vii) the Offering and (viii) the Senior Preferred Conversion.

The Unaudited Pro Forma Condensed Consolidated Statement of Operations for the year ended December 31, 1997 gives effect to the Transactions as if they had occurred as of January 1, 1997, and the Unaudited Pro Forma Condensed Consolidated Statement of Operations for the three months ended March 31, 1998 gives effect to the Roll-Up, the Offering and the Senior Preferred Conversion as if they had occurred as of January 1, 1998. The Unaudited Pro Forma Condensed Consolidated Balance Sheet gives effect to the Roll-Up, the Offering and the Senior Preferred Conversion as if they had occurred as of March 31, 1998. The pro forma adjustments are described in the accompanying notes and are based upon available information and certain assumptions that management believes are reasonable.

The Pro Forma Financial Statements do not purport to represent what CCIC's results of operations or financial condition would actually have been had the Transactions in fact occurred on such dates or to project CCIC's results of operations or financial condition for any future date or period. The Pro Forma Financial Statements should be read in conjunction with the consolidated financial statements and the notes thereto included elsewhere in this Prospectus and "Management's Discussion and Analysis of Financial Condition and Results of Operations".

The Acquisitions and the Roll-Up are accounted for under the purchase method of accounting. The total purchase price for each Acquisition and the Roll-Up have been allocated to the identifiable tangible and intangible assets and liabilities of the applicable acquired business based upon CCIC's preliminary estimate of their fair values with the remainder allocated to goodwill and other intangible assets. The allocations of the purchase prices are subject to revision when additional information concerning asset and liability valuations is obtained; however, the Company does not expect that any such revisions will have a material effect on its consolidated financial position or results of operations. The Company has recorded the purchase price for the Roll-Up based on (i) the number of shares of CCIC's Common Stock and Class A Common Stock exchanged for shares of CTI 's capital stock and (ii) the price per share received by CCIC from the Offering.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 1997

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	HISTORICAL				ADJUSTMENTS FOR ACQUISITIONS	PRO FORMA FOR ACQUISITIONS	ADJUSTMENTS FOR 1997 REFINANCING	PRO FORMA FOR ACQUISITIONS AND 1997 REFINANCING	HISTORICAL CTI (K)
	CCIC(A)	TEA(A)	TELE- STRUCTURES(A)	CROWN(A)					
Net revenues:									
Site rental and broadcast transmission.....	\$ 11,010	\$ --	\$ --	\$ 4,550	\$ --	\$ 15,560	\$ --	\$ 15,560	\$110,922
Network services and other.....	20,395	7,615	1,212	13,137	(1,068)(b)	41,291	--	41,291	13,558
Total net revenues.....	31,405	7,615	1,212	17,687	(1,068)	56,851	--	56,851	124,480
Operating expenses:									
Costs of operations:									
Site rental and broadcast transmission.....	2,213	--	--	1,421	--	3,634	--	3,634	53,806
Network services and other.....	13,137	6,454	1,008	5,841	(1,134)(c)	25,306	--	25,306	5,990
General and administrative... Corporate development.....	6,824	644	25	3,761	--	11,254	--	11,254	9,124
Depreciation and amortization.....	5,731	--	--	--	(2,224)(d)	3,507	--	3,507	--
	6,952	52	--	1,006	5,179 (e)	13,189	--	13,189	34,627
	34,857	7,150	1,033	12,029	1,821	56,890	--	56,890	103,547
Operating income (loss).....	(3,452)	465	179	5,658	(2,889)	(39)	--	(39)	20,933
Other income (expense):									
Equity in losses of unconsolidated affiliate.....	(1,138)	--	--	--	(136)(f)	(1,274)	--	(1,274)	--
Interest and other income (expense).....	1,951	9	--	(26)	(1,165)(g)	769	--	769	552
Interest expense and amortization of deferred financing costs..	(9,254)	(18)	--	(925)	(5,291)(h)	(15,488)	(2,347)(i)	(17,835)	(20,473)
Income (loss) before income taxes and minority interests.....	(11,893)	456	179	4,707	(9,481)	(16,032)	(2,347)	(18,379)	1,012
Provision for income taxes.....	(49)	(1)	--	--	--	(50)	--	(50)	--
Minority interests.....	--	--	--	--	--	--	--	--	--
Net income (loss).....	(11,942)	455	179	4,707	(9,481)	(16,082)	(2,347)	(18,429)	1,012
Dividends on Senior Convertible Preferred Stock...	(2,199)	--	--	--	--	(2,199)	(6,134)(j)	(8,333)	--
Net income (loss) after deduction of dividends on Senior Convertible Preferred Stock...	\$(14,141)	\$ 455	\$ 179	\$ 4,707	\$(9,481)	\$(18,281)	\$(8,481)	\$(26,762)	\$ 1,012
Loss per common share--basic and diluted.....									
Common shares outstanding--basic and diluted (in thousands).....									

PRO FORMA FOR ACQUISITIONS, 1997			
ADJUSTMENTS FOR ROLL-UP	REFINANCING AND ROLL-UP	ADJUSTMENTS FOR OFFERING	PRO FORMA

Net revenues:

Site rental and broadcast transmission.....	\$ --	\$126,482	\$ --	\$126,482
Network services and other.....	(395)(1)	54,454	--	54,454

Total net revenues.....	(395)	180,936	--	180,936

Operating expenses:				
Costs of operations:				
Site rental and broadcast transmission.....	--	57,440	--	57,440
Network services and other.....	--	31,296	--	31,296
General and administrative... Corporate development.....	(395)(1)	19,983	--	19,983
Depreciation and amortization.....	--	3,507	--	3,507 (q)
	25,172 (m)	72,988	--	72,988

	24,777	185,214	--	185,214

Operating income (loss).....	(25,172)	(4,278)	--	(4,278)
Other income (expense):				
Equity in losses of unconsolidated affiliate.....	1,274(n)	--	--	--
Interest and other income (expense).....	--	1,321	--	1,321
Interest expense and amortization of deferred financing costs..	--	(38,308)	--	(38,308)

Income (loss) before income taxes and minority interests.....	(23,898)	(41,265)	--	(41,265)
Provision for income taxes.....	--	(50)	--	(50)
Minority interests.....	(1,320)(o)	(1,320)	--	(1,320)

Net income (loss).....	(25,218)	(42,635)	--	(42,635)
Dividends on Senior Convertible Preferred Stock...	--	(8,333)	8,333 (p)	--

Net income (loss) after deduction of dividends on Senior Convertible Preferred Stock...	\$(25,218)	\$(50,968)	\$8,333	\$(42,635)
=====				
Loss per common share--basic and diluted.....		\$ (0.71)		\$ (0.39)
=====				
Common shares outstanding--basic and diluted (in thousands).....		72,039		109,168
=====				

See Notes to Unaudited Pro Forma Condensed Consolidated Statements of Operations

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

THREE MONTHS ENDED MARCH 31, 1998

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	HISTORICAL		ADJUSTMENTS FOR ROLL-UP	PRO FORMA FOR ROLL-UP	ADJUSTMENTS FOR OFFERING	PRO FORMA
	CCIC	CTI(K)				
Net revenues:						
Site rental and broadcast transmission.....	\$ 5,061	\$30,810	\$ --	\$ 35,871	\$ --	\$ 35,871
Network services and other.....	6,776	3,382	(99)(l)	10,059	--	10,059
Total net revenues....	11,837	34,192	(99)	45,930	--	45,930
Operating expenses:						
Costs of operations:						
Site rental and broadcast transmission.....	1,172	13,737 (r)	--	14,909	--	14,909
Network services and other.....	4,421	1,937	--	6,358	--	6,358
General and administrative.....	3,803	2,021	(99)(l)	5,725	--	5,725
Corporate development..	1,331	2,303 (r)	--	3,634	--	3,634 (q)
Depreciation and amortization.....	3,604	9,689	6,293 (m)	19,586	--	19,586
	14,331	29,687	6,194	50,212	--	50,212
Operating income (loss).....	(2,494)	4,505	(6,293)	(4,282)	--	(4,282)
Other income (expense):						
Equity in losses of unconsolidated affiliate.....	(99)	--	99 (n)	--	--	--
Interest and other income (expense).....	706	273	--	979	--	979
Interest expense and amortization of deferred financing costs.....	(4,706)	(5,181)	--	(9,887)	--	(9,887)
Income (loss) before income taxes and minority interests....	(6,593)	(403)	(6,194)	(13,190)	--	(13,190)
Provision for income taxes.....	(13)	--	--	(13)	--	(13)
Minority interests.....	--	--	(341)(o)	(341)	--	(341)
Net income (loss).....	(6,606)	(403)	(6,535)	(13,544)	--	(13,544)
Dividends on Senior Convertible Preferred Stock.....	(2,055)	--	--	(2,055)	2,055 (p)	--
Net income (loss) after deduction of dividends on Senior Convertible Preferred Stock.....	\$(8,661)	\$(403)	\$(6,535)	\$(15,599)	\$2,055	\$(13,544)
Loss per common share-- basic and diluted.....				\$ (0.22)		\$ (0.12)
Common share outstanding--basic and diluted (in thousands).....				72,050		109,179

See Notes to Unaudited Pro Forma Condensed Consolidated Statements of Operations

NOTES TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(DOLLARS IN THOUSANDS)

- (a) The historical results of operations for each of the entities acquired by CCIC in the Acquisitions are included in CCIC's historical results of operations for the period from their respective dates of acquisition through the end of the period presented. The historical results of operations presented for each of the acquired entities are their pre-acquisition results of operations. Set forth below are the respective dates of each Acquisition:

COMPANY -----	DATE ----
TEA.....	May 12, 1997
TeleStructures.....	May 12, 1997
Crown.....	August 15, 1997

- (b) Reflects the following adjustments to net revenues:

	YEAR ENDED DECEMBER 31, 1997 -----
Elimination of intercompany sales between TEA and TeleStructures.....	\$(1,134)
Addition of management fee payable to CCIC from CTI for the portion of the period preceding the CTI Investment(i).....	66

Total adjustments to net revenues.....	\$(1,068) =====

- (i) The CTI Investment was consummated on February 28, 1997. Management fees received by CCIC during the period subsequent to the CTI Investment are reflected in CCIC's historical results of operations.

- (c) Reflects the elimination of intercompany transactions between TEA and TeleStructures.
- (d) Reflects the elimination of (i) nonrecurring cash bonus awards of \$913 paid to certain executive officers in connection with the CTI Investment and (ii) a nonrecurring cash charge of \$1,311 related to the purchase by CCIC of shares of Class B Common Stock from CCIC's former chief executive officer in connection with the CTI Investment. See "Certain Relationships and Related Transactions".
- (e) Reflects the incremental amortization of goodwill and other intangible assets and the incremental depreciation of property and equipment as a result of the Acquisitions. Goodwill is being amortized over twenty years and other intangible assets (primarily existing contracts) are being amortized over ten years.
- (f) Reflects equity accounting adjustments to include CCIC's percentage in CTI's losses for the preinvestment period.
- (g) Reflects the elimination of a nonrecurring success fee received by CCIC in connection with the CTI Investment.
- (h) Reflects additional interest expense attributable to the seller notes issued in connection with the Crown Merger and the TEA Acquisition and borrowings under the Senior Credit Facility prior to October 31, 1997 at interest rates ranging from 8.0% to 11.0%.
- (i) Reflects net increase in interest expense as a result of the issuance of the Notes in connection with the 1997 Refinancing at an interest rate on the Notes of 10.625% per annum. The adjustment also includes the elimination of \$1,920 of nonrecurring financing fees charged to interest expense in September and October of 1997. Such fees related to an unfunded interim loan facility related to the Crown Merger and an unfunded revolving credit facility.
- (j) Reflects additional dividends attributable to the Senior Convertible Preferred Stock prior to the dates of issuance.
- (k) Reflects the historical results of operations of CTI (under U.S. GAAP) for the period. Such results have been translated from pounds sterling to U.S. dollars at the average Noon Buying Rate for the period.
- (l) Reflects the elimination of management fees payable to CCIC from CTI.
- (m) Reflects the incremental amortization of goodwill as a result of the Roll-Up. Goodwill is being amortized over twenty years.
- (n) Reflects the elimination of equity accounting adjustments to include CCIC's percentage in CTI's losses.
- (o) Reflects the minority interest in dividends accrued on CTI's Redeemable Preference Shares.

- (p) Reflects decrease in dividends attributable to the conversion of the outstanding shares of Senior Convertible Preferred Stock into shares of Common Stock in the Senior Preferred Conversion.
- (q) CCIC expects to record non-cash compensation charges related to the issuance of stock options to certain employees and executives. Such charges are expected to amount to \$20.2 million in 1998, recognized upon completion of the Offering, and approximately \$3.0 million per year thereafter through 2003.
- (r) Included in CTI's costs of operations for site rental and broadcast transmission, and in CTI's corporate development expenses, are non-cash compensation charges related to the issuance of stock options to certain employees and executives amounting to \$1.1 million and \$1.8 million, respectively, for the three months ended March 31, 1998.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET

AS OF MARCH 31, 1998
(DOLLARS IN THOUSANDS)

	HISTORICAL		ADJUSTMENTS FOR ROLL-UP	PRO FORMA FOR ROLL- UP	ADJUSTMENTS FOR OFFERING	PRO FORMA
	CCIC	CTI(A)				
ASSETS:						
Current assets:						
Cash and cash equivalents.....	\$ 53,395	\$ 13,394	\$ --	\$ 66,789	\$465,275(h)	\$ 532,064
Receivables.....	10,937	17,820	(439)(b)	28,318	--	28,318
Inventories.....	1,220	2,096	--	3,316	--	3,316
Prepaid expenses and other current assets.....	1,028	--	--	1,028	--	1,028
Total current assets.....	66,580	33,310	(439)	99,451	465,275	564,726
Property and equipment, net.....	105,034	351,329	--	456,363	--	456,363
Investments in affiliates.....	59,688	--	(57,538)(c)	2,150	--	2,150
Goodwill and other intangible assets, net...	150,468	76,120	503,434 (d)	730,022	--	730,022
Deferred financing costs and other assets, net..	10,918	--	--	10,918	--	10,918
	<u>\$392,688</u>	<u>\$460,759</u>	<u>\$445,457</u>	<u>\$1,298,904</u>	<u>\$465,275</u>	<u>\$1,764,179</u>
	=====	=====	=====	=====	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY:						
Current liabilities:						
Accounts payable.....	\$ 4,964	\$ 8,017	\$ --	\$ 12,981	\$ --	\$ 12,981
Other current liabilities.....	3,102	27,827	(439)(b)	30,490	--	30,490
Long-term debt, current maturities.....	--	--	--	--	--	--
Total current liabilities.....	8,066	35,844	(439)	43,471	--	43,471
Long-term debt, less current maturities.....	187,299	249,217	--	436,516	--	436,516
Other liabilities.....	607	4,162	--	4,769	--	4,769
Total liabilities...	195,972	289,223	(439)	484,756	--	484,756
Minority interests.....	--	--	37,693 (e)	37,693	--	37,693
Redeemable preferred stock.....	162,804	179,322	(272,123)(f)	70,003	(70,003)(i)	--
Stockholders' equity....	33,912	(7,786)	680,326 (g)	706,452	535,278 (j)	1,241,730
	<u>\$392,688</u>	<u>\$460,759</u>	<u>\$445,457</u>	<u>\$1,298,904</u>	<u>\$465,275</u>	<u>\$1,764,179</u>
	=====	=====	=====	=====	=====	=====

See Notes to Unaudited Pro Forma Condensed Consolidated Balance Sheet

NOTES TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET
(DOLLARS IN THOUSANDS)

- (a) Reflects the historical amounts from CTI's consolidated balance sheet (under U.S. GAAP) as of March 31, 1998. Such amounts have been translated from pounds sterling to U.S. dollars at the Noon Buying Rate on March 31, 1998 of (Pounds)1.00 = \$1.6765.
- (b) Reflects the elimination of management fees payable to CCIC from CTI.
- (c) Reflects (1) the increase in CCIC's equity investment in CTI resulting from the issuance of 20,867,700 shares of CCIC's Common Stock and 11,340,000 shares of CCIC's Class A Common Stock, with such shares recorded at the price per share to the public in the Offering, and (2) the elimination of CCIC's equity investment in CTI.
- (d) Reflects the incremental goodwill as a result of the Roll-Up. The allocation of the purchase price for the Roll-Up did not result in adjustments to CTI's assets and liabilities other than goodwill and other intangible assets.
- (e) Reflects the 20% minority interest in CTI's Redeemable Preference Shares based on the carrying value, including accrued and unpaid dividends, for those shares.
- (f) Reflects (1) the elimination of CTI's Redeemable Preference Shares (\$179,322) and (2) the conversion of the Series A, Series B and Series C Convertible Preferred Stock to shares of Common Stock (\$92,801).
- (g) Reflects the following adjustments to stockholders' equity:

(1) Increase resulting from the issuance of CCIC's Common Stock and Class A Common Stock in exchange for shares of CTI's capital stock.....	\$579,739	
(2) Increase resulting from the elimination of CTI's Ordinary Shares.....	7,786	
(3) Increase resulting from the conversion of the Series A, Series B and Series C Convertible Preferred Stock to shares of Common Stock.....	92,801	

Total adjustments to stockholders' equity.....	\$680,326	===== ===

- (h) Reflects the following adjustments to cash and cash equivalents:

Increase resulting from the receipt of proceeds from the Offering.....	\$495,000
Decrease resulting from the payment of underwriting discounts and commissions and other fees and expenses related to the Offering.....	(29,725)

Total adjustments to cash and cash equivalents.....	\$465,275
	=====

- (i) Reflects the conversion of the outstanding shares of Senior Convertible Preferred Stock into shares of Common Stock in the Senior Preferred Conversion.

- (j) Reflects the following adjustments to stockholders' equity:

(1) Increase resulting from the conversion of the outstanding shares of Senior Convertible Preferred Stock into shares of Common Stock in the Senior Preferred Conversion.....	\$ 70,003
(2) Increase resulting from the receipt of proceeds from the Offering.....	495,000
(3) Decrease resulting from the payment of underwriting discounts and commissions and other fees and expenses related to the Offering.....	(29,725)

Total adjustments to stockholders' equity.....	\$535,278
	=====

The following table summarizes the adjustments for the Roll-Up, with increases to liabilities and stockholders' equity balances shown as negative amounts:

	ADJUSTMENT REFERENCE					TOTALS
	(B)	(C)(1), (G)(1)	(C)(2), (D), (E), (F)(1), (G)(2)	(F)(2)		
Receivables.....	\$(439)	\$ --	\$ --	\$ --	\$ --	\$ (439)
Investments in affiliates.....	--	579,739	(637,277)	--	--	(57,538)
Goodwill and other intangible assets, net...	--	--	503,434	--	--	503,434
Other current liabilities.....	439	--	--	--	--	439
Minority interests.....	--	--	(37,693)	--	--	(37,693)
Redeemable preferred						

stock.....	--	--	179,322	92,801	272,123
Stockholders' equity....	--	(579,739)	(7,786)	(92,801)	(680,326)
	-----	-----	-----	-----	-----
	\$ --	\$ --	\$ --	\$ --	\$ --
	=====	=====	=====	=====	=====

The following table summarizes the adjustments for the Offering, with increases to liabilities and stockholders' equity balances shown as negative amounts:

	ADJUSTMENT REFERENCE				
	(H),	(J)(2),	(J)(3)	(I), (J)(1)	TOTALS
	-----	-----	-----	-----	-----
Cash and cash equivalents....	\$ 465,275			\$ --	\$ 465,275
Redeemable preferred stock...	--			70,003	70,003
Stockholders' equity.....	(465,275)			(70,003)	(535,278)
	-----	-----	-----	-----	-----
	\$ --			\$ --	\$ --
	=====	=====	=====	=====	=====

SELECTED FINANCIAL AND OTHER DATA OF CCIC

The selected historical consolidated financial and other data for CCIC set forth below for each of the three years in the period ended December 31, 1997, and as of December 31, 1995, 1996 and 1997, have been derived from the consolidated financial statements of CCIC, which have been audited by KPMG Peat Marwick LLP, independent certified public accountants. The selected historical consolidated financial and other data for CCIC set forth below for the three months ended March 31, 1997 and 1998, and as of March 31, 1998, have been derived from the unaudited consolidated financial statements of CCIC, which include all adjustments that the Company considers necessary for a fair presentation of the financial position and results of operations for those periods. Operating results for the three months ended March 31, 1997 and 1998 are not necessarily indicative of the results that may be expected for the entire year. The information set forth below should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations--Results of Operations--CCIC" and the consolidated financial statements and the notes thereto of CCIC included elsewhere in this Prospectus.

	YEARS ENDED DECEMBER 31,			THREE MONTHS ENDED MARCH 31,	
	1995	1996	1997	1997	1998
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)					
STATEMENT OF OPERATIONS DATA:					
Net revenues:					
Site rental.....	\$ 4,052	\$ 5,615	\$ 11,010	\$ 1,667	\$ 5,061
Network services and other...	6	592	20,395	327	6,776
Total net revenues.....	4,058	6,207	31,405	1,994	11,837
Costs of operations:					
Site rental.....	1,226	1,292	2,213	258	1,172
Network services and other...	--	8	13,137	5	4,421
Total costs of operations....	1,226	1,300	15,350	263	5,593
General and administrative....	729	1,678	6,824	511	3,803
Corporate development(a).....	204	1,324	5,731	2,105	1,331
Depreciation and amortization.....	836	1,242	6,952	408	3,604
Operating income (loss).....	1,063	663	(3,452)	(1,293)	(2,494)
Equity in earnings (losses) of unconsolidated affiliate....	--	--	(1,138)	197	(99)
Interest and other income(b)...	53	193	1,951	1,301	706
Interest expense and amortization of deferred financing costs.....	(1,137)	(1,803)	(9,254)	(626)	(4,706)
Income (loss) before income taxes.....	(21)	(947)	(11,893)	(421)	(6,593)
Provision for income taxes....	--	(10)	(49)	(22)	(13)
Net income (loss).....	(21)	(957)	(11,942)	(443)	(6,606)
Dividends on Senior Convertible Preferred Stock..	--	--	(2,199)	--	(2,055)
Net income (loss) after deduction of dividends on Senior Convertible Preferred Stock.....	\$ (21)	\$ (957)	\$ (14,141)	\$ (443)	\$ (8,661)
Loss per common share--basic and diluted.....	\$ (.01)	\$ (0.27)	\$ (2.27)	\$ (0.13)	\$ (0.79)
Common shares outstanding--basic and diluted (in thousands).....	3,316	3,503	6,238	3,400	10,954
OTHER DATA:					
Site data (at period end)(c):					
Towers owned.....	126	155	240		331
Towers managed.....	7	7	133		128
Rooftop sites managed (revenue producing)(d).....	41	52	80		71
Total sites owned and managed.....	174	214	453		530
EBITDA(e).....	\$ 1,899	\$ 1,905	\$ 3,500	\$ (885)	\$ 1,110
Capital expenditures.....	161	890	18,035	232	24,539
Summary cash flow information:					
Net cash provided by (used for) operating activities....	1,672	(530)	(624)	(625)	(2,951)
Net cash used for investing activities.....	(16,673)	(13,916)	(111,484)	(57,774)	(24,539)
Net cash provided by financing activities.....	15,597	21,193	159,843	67,825	25,807
Ratio of earnings to fixed					

charges(f).....	--	--	--	--
BALANCE SHEET DATA (AT PERIOD				
END):				
Cash and cash equivalents.....	\$ 596	\$ 7,343	\$ 55,078	\$53,395
Property and equipment, net...	16,003	26,753	81,968	105,034
Total assets.....	19,875	41,226	371,391	392,688
Total debt.....	11,182	22,052	156,293	187,299
Redeemable preferred				
stock(g).....	5,175	15,550	160,749	162,804
Total stockholders' equity				
(deficit).....	619	(210)	41,792	33,912

-
- (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, includes (i) nonrecurring cash bonuses of \$0.9 million paid to certain executive officers in connection with the CTI Investment and (ii) 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 CTI Investment. See "Certain Relationships and Related Transactions". CCIC expects to record non-cash compensation charges related to the issuance of stock options to certain employees and executives. Such charges are expected to amount to \$20.2 million in 1998, recognized upon completion of the Offering, and approximately \$3.0 million per year thereafter through 2003.
 - (b) Includes a \$1.2 million fee received in March 1997 as compensation for leading the investment consortium which provided the equity financing for CTI in connection with the CTI Investment.
 - (c) Represents the aggregate number of sites of CCIC as of the end of each period.
 - (d) As of March 31, 1998, CCIC had contracts with 1,288 buildings to manage on behalf of such buildings the leasing of space for antenna on the rooftops of such buildings. A revenue producing rooftop represents a rooftop where CCIC has arranged a lease of space on such rooftop and, as such, is receiving payments in respect of its management contract. CCIC generally does not receive any payment for rooftops under management unless CCIC actually leases space on such rooftops to third parties. As of March 31, 1998, CCIC had 1,217 rooftop sites under management throughout the United States that were not revenue producing but were available for leasing to customers.
 - (e) EBITDA is defined as operating income (loss) plus depreciation and amortization. EBITDA is presented as additional information because management believes it to be a useful indicator of CCIC's 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, CCIC's measure of EBITDA may not be comparable to similarly titled measures of other companies.
 - (f) 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 and 1997 and the three months ended March 31, 1998, earnings were insufficient to cover fixed charges by \$21,000, \$947,000, \$10.8 million and \$6.5 million, respectively.
 - (g) Represents (i) 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 (ii) 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 will be converted into shares of Common Stock in connection with the Offering.

SELECTED FINANCIAL AND OTHER DATA OF CROWN

The selected historical combined financial data for Crown presented below for each of the two years in the period ended December 31, 1996 and the seven months ended July 31, 1997, have been derived from the combined financial statements of Crown, which have been audited by KPMG Peat Marwick LLP, independent certified public accountants. Crown was acquired by CCIC in the Crown Merger in August 1997 and, as a result, twelve-month historical financial data for Crown is not presented. The information set forth below should be read in conjunction with the combined financial statements and the notes thereto of Crown included elsewhere in this Prospectus.

	YEARS ENDED		SEVEN MONTHS ENDED JULY 31, 1997
	DECEMBER 31, 1995	1996	
(DOLLARS IN THOUSANDS)			
STATEMENT OF OPERATIONS DATA:			
Net revenues:			
Site rental.....	\$ 3,632	\$ 5,120	\$ 4,550
Network services and other.....	7,384	14,260	13,137
Total net revenues.....	11,016	19,380	17,687
Costs of operations:			
Site rental.....	763	1,691	1,421
Network services and other.....	3,944	8,632	5,841
Total costs of operations.....	4,707	10,323	7,262
General and administrative.....	2,625	3,150	3,761
Depreciation and amortization.....	568	1,168	1,006
Operating income.....	3,116	4,739	5,658
Interest and other income (expense).....	19	(53)	(26)
Interest expense.....	(785)	(1,175)	(925)
Income before income taxes.....	2,350	3,511	4,707
Provision for income taxes.....	--	--	--
Net income.....	\$ 2,350	\$ 3,511	\$ 4,707
OTHER DATA:			
Site data (at period end)(a):			
Towers owned.....	45	53	61
Towers managed.....	122	127	127
Rooftop sites managed (revenue producing)...	9	16	20
Total sites owned and managed.....	176	196	208
EBITDA(b):			
Site rental.....	\$ 2,589	\$ 3,098	\$ 2,943
Network services and other.....	1,095	2,809	3,721
Total EBITDA.....	\$ 3,684	\$ 5,907	\$ 6,664
EBITDA as a percentage of net revenues(b):			
Site rental.....	71.3%	60.5%	64.7%
Network services and other.....	14.8	19.7	28.3
Total EBITDA as a percentage of net revenues.....	33.4	30.5	37.7
Capital expenditures.....	\$ 5,670	\$ 8,658	\$12,425
Summary cash flow information:			
Net cash provided by operating activities...	2,974	4,162	5,199
Net cash used for investing activities.....	(5,670)	(8,652)	(12,425)
Net cash provided by financing activities...	2,367	4,100	7,018

(a) Represents the aggregate number of sites of Crown as of the end of each period.

(b) EBITDA is defined as operating income plus depreciation and amortization. EBITDA is presented as additional information because management believes it to be a useful indicator of a company's 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, Crown's measure of EBITDA may not be comparable to similarly titled measures of other companies.

SELECTED FINANCIAL AND OTHER DATA OF CTI

The selected historical financial data for CTI, which was 34.3% owned by CCIC prior to the Roll-Up, presents (i) selected historical financial data of the BBC Home Service Transmission Business prior to its acquisition by CTI (the "Predecessor") for the year ended March 31, 1996 and the eleven and two months ended February 27, 1997, (ii) selected historical consolidated financial data of CTI after such acquisition for the one month ended March 31, 1997 and for the nine months ended December 31, 1997, and (iii) selected historical consolidated financial data of CTI as of and for the three months ended March 31, 1998. The selected historical financial data for the year ended March 31, 1996 and the eleven months ended February 27, 1997 have been derived from the financial statements of the Predecessor, which have been audited by KPMG, Chartered Accountants. The selected financial data for the one month ended March 31, 1997 and the nine months ended December 31, 1997 have been derived from the consolidated financial statements of CTI, which have been audited by KPMG, Chartered Accountants. The selected historical financial data for the two months ended February 27, 1997 have been derived from the unaudited financial statements of the Predecessor, and the selected historical financial data as of and for the three months ended March 31, 1998 have been derived from the unaudited consolidated financial statements of CTI, which include all adjustments that CTI considers necessary for a fair presentation of the financial position and results of operations for that period. The results of operations for the one month ended March 31, 1997, the nine months ended December 31, 1997 and the three months ended March 31, 1998 are not necessarily indicative of the results of operations of CTI that may be expected for the entire year. This information reflects financial data for CTI as a whole, is not limited to that portion of the financial data attributable to CCIC's percentage ownership of CTI prior to the Roll-Up and is not indicative of any distributions or dividends that CCIC might receive in the future. CTI is subject to significant restrictions on its ability to make dividends and distributions to CCIC. See "Risk Factors--Holding Company Structure; Dependence on Dividends to Meet Cash Requirements or Pay Dividends". The information set forth below should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations--Results of Operations--CTI" and the consolidated financial statements and the notes thereto of CTI included elsewhere in this Prospectus.

	PREDECESSOR COMPANY			CTI		
	YEAR ENDED MARCH 31, 1996	ELEVEN MONTHS ENDED FEBRUARY 27, 1997	TWO MONTHS ENDED FEBRUARY 27, 1997	ONE MONTH ENDED MARCH 31, 1997	NINE MONTHS ENDED DECEMBER 31, 1997	THREE MONTHS ENDED MARCH 31, 1998
	(POUNDS STERLING IN THOUSANDS)					
STATEMENT OF OPERATIONS DATA:						
Net revenues....	(Pounds) 70,367	(Pounds) 70,614	(Pounds) 12,805	(Pounds) 6,433	(Pounds) 56,752	(Pounds) 20,774
Operating expenses(b)....	62,582	56,612	10,108	5,188	47,976	18,076
Operating income.....	7,785	14,002	2,697	1,245	8,776	2,698
Interest and other income...	--	--	--	49	288	166
Interest expense and amortization of deferred financing costs.....	--	--	--	(969)	(12,419)	(3,461)
Income (loss) before income taxes.....	7,785	14,002	2,697	325	(3,355)	(597)
Provision for income taxes...	--	--	--	--	--	--
Net income (loss) under U.K. GAAP.....	7,785	14,002	2,697	325	(3,355)	(597)
Adjustments to convert to U.S. GAAP.....	3,707	3,993	726	78	866	352
Net income (loss) under U.S. GAAP.....	(Pounds) 11,492	(Pounds) 17,995	(Pounds) 3,423	(Pounds) 403	(Pounds) (2,489)	(Pounds) (245)
OTHER DATA:						
EBITDA (under U.S. GAAP)(c)..	(Pounds) 20,620	(Pounds) 27,040	(Pounds) 5,161	(Pounds) 3,064	(Pounds) 25,695	(Pounds) 8,624
Capital expenditures (under U.S. GAAP).....	18,079	21,810	711	748	14,361	7,470
Summary cash flow information (under U.S.						

GAAP):						
Net cash provided by operating activities.....	24,311	28,146	5,161	4,871	25,555	2,212
Net cash used for investing activities.....	(17,190)	(21,811)	(711)	(52,889)	(14,668)	(7,362)
Net cash provided by (used for) financing activities.....	(7,121)	(6,335)	(4,450)	57,706	(12,423)	4,987

CTI

	ONE	NINE	THREE
	MONTH	MONTHS	MONTHS
	ENDED	ENDED	ENDED
	MARCH 31,	DECEMBER 31,	MARCH 31,
	1997(A)	1997(A)	1998(A)

(DOLLARS IN THOUSANDS)

STATEMENT OF OPERATIONS DATA:			
Net revenues.....	\$10,785	\$ 95,145	\$34,828
Operating expenses(b).....	8,698	80,432	30,304
Operating income.....	2,087	14,713	4,524
Interest and other income...	82	483	278
Interest expense and amortization of deferred financing costs.....	(1,625)	(20,820)	(5,802)
Income (loss) before income taxes.....	544	(5,624)	(1,000)
Provision for income taxes...	--	--	--
Net income (loss) under U.K. GAAP.....	544	(5,624)	(1,000)
Adjustments to convert to U.S. GAAP.....	131	1,452	590
Net income (loss) under U.S. GAAP.....	\$ 675	\$ (4,172)	\$ (410)
OTHER DATA:			
EBITDA (under U.S. GAAP)(c)..	\$ 5,137	\$ 43,078	\$14,458
Capital expenditures (under U.S. GAAP).....	1,254	24,076	12,523
Summary cash flow information (under U.S. GAAP):			
Net cash provided by operating activities.....	8,166	42,843	3,708
Net cash used for investing activities.....	(88,668)	(24,591)	(12,342)
Net cash provided by (used for) financing activities.....	96,744	(20,827)	8,361

AS OF MARCH 31, 1998 AS OF MARCH 31, 1998

	(POUNDS STERLING IN THOUSANDS)	(DOLLARS IN THOUSANDS)
BALANCE SHEET DATA (under U.S. GAAP):		
Cash and cash equivalents.....	(Pounds)7,989	\$ 13,394
Property and equipment, net.....	209,561	351,329
Total assets.....	274,833	460,758
Total debt.....	148,653	249,217
Redeemable preference shares.....	106,962	179,322
Ordinary shareholders' equity (deficit).....	(4,644)	(7,786)

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- (a) CTI publishes its consolidated financial statements in pounds sterling. For the convenience of the reader, the information set forth above contains translations of pound sterling amounts into U.S. dollars at the Noon Buying Rate on March 31, 1998, of (Pounds)1.00 = \$1.6765. No representation is made that the pound sterling amounts have been, could have been or could be converted into U.S. dollars at the rate indicated or any other rates. On June 30, 1998, the Noon Buying Rate was (Pounds)1.00 = \$1.6695.
- (b) Included in operating expenses for the three months ended March 31, 1998 are non-cash compensation charges for (Pounds)1.8 million (\$2.9 million) related to the issuance of stock options to certain executives and employees.
- (c) EBITDA is defined as operating income (loss) plus depreciation and amortization. EBITDA is presented as additional information because management believes it to be a useful indicator of CTI's 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, CTI's measure of EBITDA may not be comparable to similarly titled measures of other companies.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL
CONDITION AND RESULTS OF OPERATIONS

The following discussion sets forth separately the historical consolidated results of operations of CCIC and CTI and is intended to assist in understanding (i) CCIC's consolidated financial condition as of March 31, 1998 and its consolidated results of operations for the three-month periods ended March 31, 1997 and 1998 and for each year in the three-year period ended December 31, 1997 and (ii) CTI's consolidated results of operations for each twelve-month period in the three-year period ended March 31, 1998. The statements in this discussion regarding the industry outlook, the Company's expectations regarding the future performance of its 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 capital expenditures decisions to be made in the future by wireless communications carriers and broadcasters and the risks and uncertainties described in "Risk Factors". This discussion should be read in conjunction with "Unaudited Pro Forma Condensed Consolidated Financial Statements", "Selected Financial and Other Data of CCIC", "Selected Financial and Other Data of Crown", "Selected Financial and Other Data of CTI" and the consolidated financial statements and the notes thereto included elsewhere in this Prospectus. Results of operations of the acquired businesses which are wholly owned are included in the Company's consolidated financial statements for the periods subsequent to the respective dates of acquisition. As such, the Company's results of operations for the three months ended March 31, 1997 are not comparable to the results of operations for the three months ended March 31, 1998, and the results for the year ended December 31, 1996 are not comparable to the year ended December 31, 1997.

OVERVIEW

Following consummation of the Roll-Up, the continued growth of the Company's business will depend substantially on the condition of the wireless communications and broadcast industries. The Company believes that the demand for communications sites will continue to grow and expects that, due to increased competition, wireless communications carriers will continue to seek operating and capital efficiencies by (i) outsourcing certain network services and the build-out and operation of new and existing infrastructure and (ii) co-locating antennas and transmission equipment on multiple tenant towers. In addition, the Company expects that, in order to free up capital for the growth and management of their customer bases and expansion of their service offerings, wireless communications carriers have begun to 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, the Company believes that wireless communications carriers and broadcasters ultimately will seek to outsource the operation of their towers and transmission networks, including the transmission of their signals. Management believes that the Company's ability to manage towers and transmission networks and its proven track record of providing end-to-end services to the wireless communications and broadcasting industries position it to capture such business.

The willingness of wireless communications carriers to utilize the Company's 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. The Company's revenues that are derived from the provision of transmission services to the broadcasting industry will be affected by the timing of the commencement of digital terrestrial television broadcasts in both the United Kingdom and the United States, as well as in other countries around the world, consumer demand for digital terrestrial broadcasting, interest rates, cost of capital to broadcasters, zoning restrictions on tall towers and the cost of building towers.

As an important part of its business strategy, the Company will continue (i) to take advantage of the operating leverage of its site rental business by increasing the antenna space leased on its owned or managed communications sites, (ii) to leverage its in-house technical and operational expertise, (iii) to expand its tower footprints by partnering with wireless communications carriers to assume ownership of their existing towers and by pursuing build-to-suit opportunities and (iv) to acquire existing transmission networks globally as opportunities arise.

RESULTS OF OPERATIONS

CCIC

CCIC's primary sources of revenues are from (i) the rental of antenna space on towers and rooftop sites and (ii) the provision of network services, which includes network design and site selection, site acquisition, site development and construction and antenna installation.

Site rental revenues are received primarily from wireless communications companies, including cellular, PCS, paging, specialized mobile radio/enhanced specialized mobile radio ("SMR/ESMR") and microwave operators. 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 monthly site rental revenues per owned site as of December 31, 1997 were approximately \$3,000 for the towers located in the southwestern United States, \$7,000 for the towers in Puerto Rico, \$12,500 for the towers in and around the greater Pittsburgh area, and \$2,000 for CCIC's other revenue producing towers. Average revenues for CCIC's managed rooftop sites are 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.

Network services revenues consist of revenues from (i) network design and site selection, (ii) site acquisition, (iii) site development and construction, (iv) antenna installation and (v) other services. Network services revenues are received primarily from wireless communications companies. Network services revenues are recognized under service contracts which provide for billings on either a fixed price basis or a time and materials basis. Demand for CCIC's network services fluctuates from period to period and within periods. See "Risk Factors--Variability in Demand for Network Services". Consequently, the operating results of CCIC's network services businesses for any particular period may vary significantly, and should not be considered as indicative of longer-term results. CCIC also derives revenues from the ownership and operation of microwave radio and SMR networks in Puerto Rico where CCIC owns radio wave spectrum in the 2,000 MHz and 6,000 MHz range (for microwave radio) and the 800 MHz range (for SMR). These revenues are generally recognized under monthly management or service agreements. Average monthly revenues as of December 31, 1997 from SMR and microwave services were approximately \$77,000 and \$12,000, respectively.

Costs of operations for site rental primarily consist of land leases, repairs and maintenance, utilities, insurance, property taxes and 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 network services consist primarily of employee compensation and related benefits costs, subcontractor services, consulting fees, and other on-site construction and materials costs. CCIC incurs these network services costs (i) to support its internal operations, including construction and maintenance of its owned towers, and (ii) to maintain the employees necessary to provide end-to-end services to third parties regardless of the level of such business at any time. The Company believes that its experienced staff enables it to provide the type of end-to-end services that enhance its ability to acquire access to the infrastructure of wireless communications carriers and to attract significant build-to-suit contracts.

General and administrative expenses consist primarily of employee compensation 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, benefits and overhead costs that are not directly related to the administration or management of existing towers.

Depreciation and amortization charges relate to CCIC's property and equipment (primarily towers, construction equipment and vehicles), goodwill and other intangible assets recorded in connection with business acquisitions. Depreciation of towers 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) is computed with a useful life of 10 years. Depreciation of construction equipment and vehicles are generally computed with useful lives of 10 years and 5 years, respectively.

The following information is derived from CCIC's Historical Consolidated Statements of Operations for the periods indicated.

	YEAR ENDED DECEMBER 31, 1995		YEAR ENDED DECEMBER 31, 1996		YEAR ENDED DECEMBER 31, 1997		THREE MONTHS ENDED MARCH 31, 1997		THREE MONTHS ENDED MARCH 31, 1998	
	AMOUNT	PERCENT OF NET REVENUES	AMOUNT	PERCENT OF NET REVENUES	AMOUNT	PERCENT OF NET REVENUES	AMOUNT	PERCENT OF NET REVENUES	AMOUNT	PERCENT OF NET REVENUES
(DOLLARS IN THOUSANDS)										
Net revenues:										
Site rental.....	\$ 4,052	99.9%	\$ 5,615	90.5%	\$ 11,010	35.1%	\$1,667	83.6%	\$ 5,061	42.8%
Network services and other.....	6	0.1	592	9.5	20,395	64.9	327	16.4	6,776	57.2
Total net revenues.....	4,058	100.0	6,207	100.0	31,405	100.0	1,994	100.0	11,837	100.0
Operating expenses:										
Costs of operations:										
Site rental.....	1,226	30.3	1,292	23.0	2,213	20.1	258	15.5	1,172	23.2
Network services and other.....	--	--	8	1.4	13,137	64.4	5	1.5	4,421	65.2
Total costs of opera- tions.....	1,226	30.2	1,300	21.0	15,350	48.9	263	13.2	5,593	47.3
General and administra- tive.....	729	18.0	1,678	27.0	6,824	21.7	511	25.6	3,803	32.1
Corporate development..	204	5.0	1,324	21.3	5,731	18.3	2,105	105.6	1,331	11.2
Depreciation and amor- tization.....	836	20.6	1,242	20.0	6,952	22.1	408	20.4	3,604	30.5
Operating income (loss).....	1,063	26.2	663	10.7	(3,452)	(11.0)	(1,293)	(64.8)	(2,494)	(21.1)
Other income (expense):										
Equity in earnings (losses) of unconsolidated affiliate.....	--	--	--	--	(1,138)	(3.6)	197	9.9	(99)	(0.8)
Interest and other in- come.....	53	1.3	193	3.1	1,951	6.2	1,301	65.2	706	6.0
Interest expense and amortization of de- ferred financing costs.....	(1,137)	(28.0)	(1,803)	(29.0)	(9,254)	(29.5)	(626)	(31.4)	(4,706)	(39.8)
Loss before income tax- es.....	(21)	(0.5)	(947)	(15.2)	(11,893)	(37.9)	(421)	(21.1)	(6,593)	(55.7)
Provision for income taxes.....	--	--	(10)	(0.2)	(49)	(0.1)	(22)	(1.1)	(13)	(0.1)
Net loss.....	\$ (21)	(0.5)%	\$ (957)	(15.4)%	\$(11,942)	(38.0)%	\$ (443)	(22.2)%	\$(6,606)	(55.8)%

Comparison of Three Months Ended March 31, 1998 and 1997

Consolidated revenues for the three months ended March 31, 1998 were \$11.8 million, an increase of \$9.8 million from the three months ended March 31, 1997. This increase was primarily attributable to (i) a \$3.4 million, or 203.6%, increase in site rental revenues, of which \$3.3 million was attributable to the Crown operations; (ii) \$2.3 million in network services revenues from TEA; and (iii) \$3.3 million in network services revenues from the Crown operations.

Costs of operations for the three months ended March 31, 1998 were \$5.6 million, an increase of \$5.3 million from the three months ended March 31, 1997. This increase was primarily attributable to (i) \$1.9 million of network services costs related to the TEA operations; (ii) \$2.1 million of network services costs related to the Crown operations; and (iii) \$0.9 million in site rental costs attributable to the Crown operations. Costs of operations for site rental as a percentage of site rental revenues increased to 23.2% for the three months ended

March 31, 1998 from 15.5% for the three months ended March 31, 1997 because of higher costs attributable to the Crown operations. Costs of operations for network services as a percentage of network services revenues were 65.2% for the three months ended March 31, 1998, reflecting lower margins that are inherent in the network services businesses acquired in 1997.

General and administrative expenses for the three months ended March 31, 1998 were \$3.8 million, an increase of \$3.3 million from the three months ended March 31, 1997. This increase was primarily attributable to \$2.2 million of expenses related to the Crown operations and \$0.6 million of expenses related to the TEA operations, along with an increase in costs of \$0.4 million at the Company's corporate office. General and administrative expenses as a percentage of revenues increased for the three months ended March 31, 1998 to 32.1% from 25.6% for the three months ended March 31, 1997 because of higher overhead costs as a percentage of revenues for Crown and the increase in costs at CCIC's corporate office.

Corporate development expenses for the three months ended March 31, 1998 were \$1.3 million, a decrease of \$0.8 million from the three months ended March 31, 1997. Corporate development expenses for the three months ended March 31, 1997 include a \$1.3 million nonrecurring compensation charge associated with the CTI Investment resulting from the repurchase of shares of CCIC's common stock from a member of its Board of Directors. Corporate development expenses for the three months ended March 31, 1998 include discretionary bonuses related to CCIC's performance totaling approximately \$0.8 million for certain members of CCIC's management. CCIC expects to record non-cash compensation charges related to the issuance of stock options to certain employees and executives. Such charges are expected to amount to \$20.2 million in 1998, recognized upon completion of the Offering, and approximately \$3.0 million per year thereafter through 2003. See "--Compensation Charges Related to Stock Option Grants".

Depreciation and amortization for the three months ended March 31, 1998 was \$3.6 million, an increase of \$3.2 million from the three months ended March 31, 1997. This increase was primarily attributable to (i) \$2.9 million of depreciation and amortization related to the property and equipment, goodwill and other intangible assets acquired in the Crown Merger; and (ii) \$0.2 million of depreciation and amortization related to the property and equipment and goodwill acquired in the TEA and TeleStructures Acquisitions.

The equity in earnings (losses) of unconsolidated affiliate represents CCIC's 34.3% share of CTI's net earnings (losses) for the periods beginning in March 1997. For the three months ended March 31, 1998, after making appropriate adjustments to CTI's results of operations for such period to conform to generally accepted accounting principles of the United States, CTI had net revenues, operating income, interest expense (including amortization of deferred financing costs) and net losses of \$34.2 million, \$4.5 million, \$5.2 million and \$0.4 million, respectively. Included in CTI's results of operations for such period are noncash compensation charges for approximately \$2.9 million related to the issuance of stock options to certain members of CTI's management. If successful, the consummation of a share exchange agreement with certain shareholders of CTI would accelerate the vesting of certain options granted to CTI's management and employees, resulting in additional noncash compensation charges of approximately \$0.7 million.

Interest and other income for the three months ended March 31, 1997 includes a \$1.2 million fee received in March 1997 as a compensation for leading the investment consortium which provided the equity financing for CTI. Interest income for the three months ended March 31, 1998 resulted primarily from the investment of excess proceeds from the sale of CCIC's 10 5/8% Senior Discount Notes due 2007 (the "Notes") in November 1997.

Interest expense and amortization of deferred financing costs for the three months ended March 31, 1998 was \$4.7 million, an increase of \$4.1 million, or 651.8%, from the three months ended March 31, 1997. This increase was primarily attributable to amortization of the original issue discount on the Notes.

Comparison of Years Ended December 31, 1997 and 1996

Consolidated revenues for 1997 were \$31.4 million, an increase of \$25.2 million from 1996. This increase was primarily attributable to (i) a \$5.4 million, or 96.1%, increase in site rental revenues, of which \$4.2 million

was attributable to the Crown operations and \$0.7 million was attributable to the Puerto Rico operations; (ii) \$10.4 million in network services revenues from TEA; and (iii) \$7.2 million in network services revenues from the Crown operations. The remainder of the increase was largely attributable to higher revenues from SMR and microwave radio services in Puerto Rico and the monthly service fees received from CTI beginning in March 1997.

Costs of operations for 1997 were \$15.4 million, an increase of \$14.1 million from 1996. This increase was primarily attributable to (i) \$8.5 million of network services costs related to the TEA operations; (ii) \$3.9 million of network services costs related to the Crown operations; and (iii) \$0.9 million in site rental costs attributable to the Crown operations. Costs of operations for site rental as a percentage of site rental revenues decreased to 20.1% for 1997 from 23.0% for 1996 because of increased utilization of the towers located in the southwestern United States and Puerto Rico. Costs of operations for network services as a percentage of network services revenues were 64.4% for 1997, reflecting lower margins that are inherent in the network services businesses acquired in 1997.

General and administrative expenses for 1997 were \$6.8 million, an increase of \$5.1 million from 1996. This increase was primarily attributable to \$3.0 million of expenses related to the Crown operations and \$1.4 million of expenses related to the TEA operations, along with an increase in costs of \$0.2 million at CCIC's corporate office. General and administrative expenses as a percentage of revenues decreased for 1997 to 21.7% from 27.0% for 1996 because of lower overhead costs as a percentage of revenues for Crown and TEA.

Corporate development expenses for 1997 were \$5.7 million, an increase of \$4.4 million from 1996. A substantial portion of this increase was attributable to nonrecurring compensation charges associated with the CTI Investment of (i) \$0.9 million for certain executive bonuses and (ii) the repurchase of shares of CCIC's common stock from a member of its Board of Directors, which resulted in compensation charges of \$1.3 million. The remaining \$2.2 million of the increase in corporate development expenses was attributable to a higher allocation of personnel costs, along with an overall increase in such costs, associated with an increase in acquisition and business development activities.

Depreciation and amortization for 1997 was \$7.0 million, an increase of \$5.7 million from 1996. This increase was primarily attributable to (i) \$4.7 million of depreciation and amortization related to the property and equipment, goodwill and other intangible assets acquired in the Crown Merger; (ii) \$0.5 million of depreciation and amortization related to the property and equipment and goodwill acquired in the TEA and TeleStructures Acquisitions; and (iii) \$0.3 million resulting from twelve months of depreciation related to the property and equipment acquired in the Puerto Rico Acquisition.

The equity in losses of unconsolidated affiliate of \$1.1 million represents CCIC's 34.3% share of CTI's net loss for the period from March through December 1997. After making appropriate adjustments to CTI's results of operations for such period to conform to generally accepted accounting principles of the United States, CTI 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 CTI, the impact on earnings of which was partially offset by certain executive bonuses related to the CTI Investment and included in corporate development expenses. Interest income for 1997 resulted primarily from the investment of excess proceeds from the sale of CCIC's Series C Convertible Preferred Stock in February 1997.

Interest expense and amortization of deferred financing costs for 1997 was \$9.3 million, an increase of \$7.5 million, or 413.3%, from 1996. This increase was primarily attributable to (i) commitment fees related to an unfunded interim loan facility related to the Crown Merger and an unfunded revolving credit facility; (ii) interest on notes payable to the former stockholders of Crown for a portion of the purchase price of the Crown Business; (iii) amortization of the original issue discount on the Notes; (iv) interest and fees associated with borrowings

under CCIC's bank credit facility which were used to finance the Crown Merger on an interim basis; (v) interest on outstanding borrowings assumed in connection with the Crown Merger; and (vi) interest on borrowings under CCIC's bank credit facility which were used to finance the acquisition of the Puerto Rico System.

Comparison of Years Ended December 31, 1996 and 1995

Consolidated revenues for 1996 were \$6.2 million, an increase of \$2.1 million, or 53.0%, from 1995. This increase was primarily attributable to (i) \$0.6 million in site rental revenues attributable to the Puerto Rico operations; (ii) \$0.6 million in site rental revenues resulting from the effect of a full year's activity for the operations of Spectrum (which was acquired in October 1995); (iii) an increase in site rental revenues of \$0.3 million, or 6.9%, from the towers acquired from PCI; and (iv) \$0.5 million in SMR and microwave radio services revenues attributable to the Puerto Rico operations.

Costs of operations for 1996 were \$1.3 million, an increase of \$0.1 million, or 6.0%, from 1995. Additional costs in 1996 of \$0.3 million attributable to the Puerto Rico operations were largely offset by decreased costs of \$0.2 million associated with the towers acquired from PCI. Such towers were managed by PCI during 1995 under an agreement with CCIC, and the management fees charged to CCIC amounted to \$0.6 million. CCIC began managing the towers on January 1, 1996. As a result of these factors, costs of operations as a percentage of revenues decreased to 21.0% in 1996 from 30.2% in 1995.

General and administrative expenses for 1996 were \$1.7 million, an increase of \$0.9 million from 1995. This increase was primarily attributable to costs of \$0.5 million and \$0.1 million associated with the Spectrum and Puerto Rico Acquisitions, respectively, along with an increase in costs of \$0.3 million, or 41.7%, at CCIC's corporate office. General and administrative expenses at CCIC's corporate office increased because of additional personnel costs and higher overhead resulting from CCIC's internal management of the PCI towers beginning in 1996. As a result of these factors, general and administrative expenses as a percentage of revenues increased to 27.0% in 1996 from 18.0% in 1995.

Corporate development expenses for 1996 were \$1.3 million, an increase of \$1.1 million from 1995. This increase was primarily attributable to a higher allocation of personnel costs, along with an overall increase in such costs associated with an increase in acquisition and business development activities during the last half of 1996.

Depreciation and amortization for 1996 was \$1.2 million, an increase of \$0.4 million from 1995. This increase was primarily associated with depreciation associated with towers purchased in the Puerto Rico Acquisition and goodwill created in the Spectrum Acquisition.

Interest and other income for 1996 was \$0.2 million, an increase of \$0.1 million from 1995, primarily resulting from the investment of excess proceeds from the sale of CCIC's Series B Convertible Preferred Stock in July 1996. Interest expense and amortization of deferred financing costs for 1996 were \$1.8 million, an increase of \$0.7 million, or 58.6%, from 1995, primarily resulting from borrowings under CCIC's bank credit agreement which were used to finance the Puerto Rico Acquisition.

CTI

CTI's primary sources of revenues are from (i) the provision of analog and digital broadcast transmission services to the BBC and commercial broadcasters, (ii) the rental of antenna space on towers and (iii) the provision of network services, which includes broadcast consulting, network design and site selection, site acquisition, site development and antenna installation and site management and other services.

Broadcast transmission services revenues are received for both analog and digital transmission services. Monthly analog transmission revenues of approximately \$6.5 million (as of March 31, 1998) are received from the BBC under a contract with an initial 10-year term through March 31, 2007. Additional monthly analog revenues of \$0.1 million per station (as of March 31, 1998) are received from two national commercial radio stations under contracts with eight year terms that commenced on March 31, 1993 and February 4, 1995,

respectively. Digital transmission services revenues from the BBC and BDB are recognized under contracts with initial terms of 12 years from the date on which the Company commences digital terrestrial transmission services for the BBC and BDB, respectively. Monthly revenues from these digital transmission contracts increase over time as the network rollout progresses, with monthly revenues as of March 31, 1998 of approximately \$0.5 million and \$0.4 million from the BBC and BDB, respectively. See "Business--U.K. Operations--Significant Contracts".

Site rental revenues 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). Currently, approximately 200 companies rent space on approximately 405 of CTI's 806 towers and rooftops. Site rental revenues are generally recognized on a monthly basis under lease agreements with original terms of three to twelve 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. Monthly revenues from CTI's largest site rental customer, NTL, were approximately \$1.0 million as of March 31, 1998. Site rental revenues are expected to become an increasing portion of CTI's total U.K. revenue base, and the Company believes 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 consist of (i) network design and site selection, site acquisition, site development and antenna installation (collectively, "network design and development") and (ii) site management and other services. Network design and development services are provided to (i) a number of broadcasting and related organizations, both in the United Kingdom and other countries; (ii) all four U.K. cellular operators; and (iii) 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 CTI 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. Revenues for such services are received under contracts with original terms of between three and five years. They provide for fixed prices with respect to network monitoring and variable pricing dependent on the level of equipment maintenance carried out in a given period.

Costs of operations for broadcast transmission services 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 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 and on-site construction and materials costs.

General and administrative expenses consist primarily of office occupancy and related expenses, travel costs, professional and consulting fees, advertising, insurance and employee training and recruitment costs. Corporate development expenses represent costs incurred in connection with acquisitions and development of new business initiatives. These expenses consist primarily of external professional fees related to specific activities and allocated compensation, benefits and overhead costs that are not directly related to the administration or management of CTI's existing lines of business.

Depreciation and amortization charges relate to CTI's property and equipment (primarily towers, broadcast transmission equipment and associated buildings) and goodwill recorded in connection with the acquisition of the Home Service Transmission business from the BBC (the "BBC Home Service Transmission Business"). Depreciation of towers is computed with useful lives of 20 to 25 years; depreciation of broadcast transmission

equipment is computed with a useful life of 20 years; and depreciation of buildings is computed with useful lives ranging from 20 to 50 years. Amortization of goodwill is computed with a useful life of 20 years.

The following information is derived from the Consolidated Profit and Loss Accounts of (i) CTI for periods subsequent to February 28, 1997 (the date of inception of CTI's operations) and (ii) the BBC Home Service Transmission Business for periods prior to that date. For purposes of the following discussion, CTI's results for the month ended March 31, 1997 have been combined with the results of the BBC Home Service Transmission Business for the eleven months ended February 27, 1997, and CTI's results for the nine months ended December 31, 1997 have been combined with its results for the three months ended March 31, 1998. The following discussion presents an analysis of such combined results for the twelve-month periods ended March 31, 1998 and 1997. Results for CTI are not comparable to results from the BBC Home Service Transmission Business due to differences in the carrying amounts of property and equipment and goodwill. As of December 31, 1997, CTI changed its fiscal year end for financial reporting purposes from March 31 to December 31; as such, the results for the three months ended March 31, 1998 are unaudited.

CTI uses the U.K. pound sterling as the functional currency for its operations. The following amounts have been translated to U.S. dollars using the average Noon Buying Rate for each period. The average exchange rates for such periods ranged from (Pounds)1.00 = \$1.5841 to (Pounds)1.00 = \$1.6459. In addition, the following amounts reflect certain adjustments to present the results of operations in accordance with generally accepted accounting principles ("GAAP") of the U.S. For the results of the BBC Home Service Transmission Business, such adjustments effect depreciation and amortization expense as a result of differences in the carrying amounts for property and equipment; for CTI, such adjustments effect (i) operating expenses as a result of differences in the accounting for pension costs, and (ii) interest expense as a result of the capitalization of interest costs in connection with constructed assets.

	TWELVE MONTHS ENDED MARCH 31, 1997		TWELVE MONTHS ENDED MARCH 31, 1998	
	AMOUNT	PERCENT OF NET REVENUES	AMOUNT	PERCENT OF NET REVENUES
	(DOLLARS IN THOUSANDS)			
Net revenues:				
Site rental and broadcast transmission.....	\$112,122	91.7%	\$113,558	89.2%
Network services and other.....	10,090	8.3	13,731	10.8
Total net revenues.....	122,212	100.0	127,289	100.0
Operating expenses:				
Costs of operations:				
Site rental and broadcast transmission.....	61,339	54.7	53,957	47.5
Network services and other...	5,912	58.6	6,075	44.2
Total costs of operations..	67,251	55.0	60,032	47.1
General and administrative.....	7,196	5.9	8,626	6.8
Corporate development.....	--	--	2,303	1.8
Depreciation and amortization..	17,256	14.1	37,382	29.4
Operating income.....	30,509	25.0	18,946	14.9
Other income (expense):				
Interest and other income.....	79	0.1	746	0.6
Interest expense and amortization of deferred financing costs.....	(1,434)	(1.2)	(24,201)	(19.0)
Income (loss) before income taxes.....	29,154	23.9	(4,509)	(3.5)
Provision for income taxes.....	--	--	--	--
Net income (loss).....	\$ 29,154	23.9%	\$ (4,509)	(3.5)%

Comparison of Twelve Months Ended March 31, 1998 and Twelve Months Ended March 31, 1997

Consolidated revenues for the twelve months ended March 31, 1998 were \$127.3 million, an increase of \$5.1 million from the twelve months ended March 31, 1997. This increase was primarily attributable to (i) a \$1.4 million increase in broadcast transmission services and site rental revenues and (ii) a \$3.6 million increase in network services and other revenues. Revenues from the BBC for the twelve months ended March 31, 1998 amounted to \$79.5 million, or 62.5% of total revenues, as compared to \$85.5 million, or 70.0% of total revenues, for the twelve months ended March 31, 1997. Revenues from NTL for the twelve months ended March 31, 1998 amounted to \$11.8 million, or 9.2% of total revenues. Network services revenues for the twelve months ended March 31, 1998 consisted of \$10.6 million from network design and development services and \$3.1 million from site management and other services.

Costs of operations for the twelve months ended March 31, 1998 were \$60.0 million, a decrease of \$7.2 million from the twelve months ended March 31, 1997. This decrease was primarily attributable to a \$7.4 million decrease in broadcast transmission services and site rental costs, partially offset by a \$0.2 million increase in network services and other costs. Costs of operations as a percentage of revenues for broadcast transmission services and site rental were 47.5% for the twelve months ended March 31, 1998, as compared to 54.7% for the twelve months ended March 31, 1997. This decrease was attributable to (i) increases in site rental revenues from existing sites with little change in site operating costs; and (ii) the elimination, as of February 28, 1997, of certain costs recharged to the BBC Home Service Transmission Business by the BBC. Costs of operations as a percentage of revenues for network services and other were 44.2% for the twelve months ended March 31, 1998, as compared to 58.6% for the twelve months ended March 31, 1997. This decrease was attributable to (i) a higher proportion of broadcast consulting revenues, which result in higher margins than certain other network design and development services and (ii) the elimination, as of February 28, 1997, of certain costs recharged to the BBC Home Service Transmission Business by the BBC. Costs of operations for site rental and broadcast transmission for the twelve months ended March 31, 1998 includes non-cash compensation charges for \$1.1 million related to the issuance of stock options to certain employees.

General and administrative expenses for the twelve months ended March 31, 1998 were \$8.6 million, an increase of \$1.4 million from the twelve months ended March 31, 1997. As a percentage of revenues, general and administrative expenses were 6.8% and 5.9% for the twelve months ended March 31, 1998 and 1997, respectively. This increase was attributable to costs incurred by CTI as a separate enterprise which were not directly incurred by the BBC Home Service Transmission Business as a part of the BBC.

Corporate development expenses for the twelve months ended March 31, 1998 relate primarily to costs incurred in connection with certain projects in Australasia and non-cash compensation charges for \$1.8 million related to the issuance of stock options to certain executives.

Depreciation and amortization for the twelve months ended March 31, 1998 was \$37.4 million, an increase of \$20.1 million from the twelve months ended March 31, 1997. Monthly charges for depreciation and amortization increased for periods subsequent to February 28, 1997 due to (i) a decrease in the estimated useful lives for certain transmission and power plant equipment from 25 to 20 years; and (ii) the amortization of goodwill recorded in connection with the acquisition of the BBC Home Service Transmission Business.

Interest and other income for the twelve months ended March 31, 1998 resulted primarily from (i) the investment of excess proceeds from amounts drawn under CTI's bank credit facilities in February 1997; and (ii) the investment of cash generated from operations during the period.

Interest expense and amortization of deferred financing costs for the twelve months ended March 31, 1998 was \$24.2 million. This amount was comprised of (i) \$4.9 million related to amounts drawn under the CTI Credit Facility; (ii) \$15.6 million related to the CTI Bonds; and (iii) \$3.7 million for the amortization of deferred financing costs. Interest expense and amortization of deferred financing costs of \$1.4 million for the twelve months ended March 31, 1997 was attributable to amounts drawn under the CTI Credit Facility. The BBC Home Service Transmission Business did not incur any financing costs as a part of the BBC prior to February 28, 1997.

RECENT RESULTS

On July 27, 1998, CCIC reported its results for the second quarter ended June 30, 1998. Revenues for the second quarter of 1998 totaled \$11.5 million, compared to \$4.8 million for the same period in 1997. CCIC's EBITDA (as defined in footnote (e) to "--Summary Unaudited Pro Forma Financial and Other Data") was \$1.9 million for the second quarter of 1998, compared to EBITDA of negative \$0.4 million for the same period in 1997.

CCIC's revenues from site rental operations increased to \$5.4 million for the second quarter of 1998, compared to \$1.7 million for the second quarter of 1997. CCIC's EBITDA from site rental operations was \$3.7 million for the second quarter of 1998, compared to \$1.1 million in the same period in 1997. CCIC's revenues from network services and other operations were \$6.1 million for the second quarter of 1998, compared to \$3.1 million for the same period in 1997. CCIC's EBITDA from network services and other operations amounted to negative \$1.8 million for the second quarter of 1998, compared to EBITDA of negative \$1.5 million for the same period in 1997.

On July 28, 1998, CTI reported its results for the second quarter ended June 30, 1998. Revenues for the second quarter of 1998 totaled (Pounds)22.7 million (or \$38.0 million), compared to (Pounds)18.6 million (or \$31.1 million) in the same period in 1997. CTI's EBITDA (as defined in footnote (e) to "--Summary Financial and Other Data of CTI") was (Pounds)9.8 million (or \$16.4 million) for the second quarter of 1998, compared to EBITDA of (Pounds)8.4 million (or \$14.1 million) for the same period in 1997.

CTI's revenues from site rental and broadcast transmission operations increased to (Pounds)19.1 million (or \$31.9 million) for the second quarter of 1998, compared to (Pounds)16.5 million (or \$27.6 million) for the same period in 1997. CTI's EBITDA from site rental and broadcast transmission operations increased to (Pounds)9.0 million (or \$15.1 million) for the second quarter of 1998, compared to (Pounds)7.2 million (or \$12.0 million) for the same period in 1997. CTI's revenues from network services and other operations increased to (Pounds)3.6 million (or \$6.0 million) for the second quarter of 1998, compared to (Pounds)2.1 million (or \$3.4 million) for the same period in 1997. CTI's EBITDA from network services and other operations amounted to (Pounds)0.8 million (or \$1.4 million) for the second quarter of 1998, compared to (Pounds)1.2 million (or \$2.0 million) for the same period in 1997.

For the six months ended June 30, 1998, after giving pro forma effect to the Roll-Up and the Offering, the Company would have had pro forma revenues and pro forma EBITDA of \$95.0 million and \$33.5 million, respectively.

LIQUIDITY AND CAPITAL RESOURCES

As of March 31, 1998, after giving pro forma effect to the Roll-Up, the Offering and the Senior Preferred Conversion, the Company would have had consolidated cash and cash equivalents of \$532.1 million (including \$13.4 million at CTI), consolidated long-term debt of \$436.5 million and consolidated stockholders' equity of \$1,241.7 million.

The Company's business strategy contemplates substantial capital expenditures in connection with (i) the expansion of its tower footprints by partnering with wireless communications carriers to assume ownership of their existing towers and by pursuing build-to-suit opportunities and (ii) to acquire existing transmission networks globally as opportunities arise. The exact amount of such capital expenditures will depend on the number of such opportunities that the Company is able to successfully consummate. The Company is currently in discussions with respect to potential significant acquisitions, investments and joint venture opportunities that could require the Company to use all of the proceeds of the Offering and its existing cash on hand prior to the end of 1998. In connection with a site marketing agreement recently entered into between the Company and BellSouth Mobility, the Company and BellSouth have agreed to explore future arrangements relating to the ownership, utilization and management of BellSouth's tower sites throughout the United States. The Company is also intending to submit a bid in connection with an auction by a major Regional Bell Operating Company of its U.S. wireless communications infrastructure. Similarly, the Company has bid on the tower assets, which encompass more than 250 U.S. tower sites, currently being auctioned by Vanguard Cellular. In addition, the

Company is pursuing acquisition opportunities in Australia and New Zealand, including in certain instances together with other partners. For example, the Company, together with Fay Richwhite & Company Limited and Berkshire Partners LLC, has made an offer in respect of a wireless communications network, including its tower infrastructure and radio frequency spectrum. If such offer is successful and the transaction is consummated, the Company anticipates that it would invest up to approximately \$50.0 million for a substantial minority interest in the acquired business. The Company is also pursuing other potential acquisitions of communications sites and transmission networks, including in connection with privatizations of state-owned networks. Any of the foregoing discussions or auctions could result in an agreement with respect to a significant acquisition, investment or joint venture in the near term. However, there can be no assurance that the Company will consummate any of the foregoing transactions in the near term or at all. See "Risk Factors-- Broad Discretion in Application of Proceeds" and "Managing Integration and Growth".

In addition, the Company anticipates that it will build or acquire, through the end of 1999, approximately 1,000 towers in the United States at a cost of approximately \$237.0 million and approximately 300 towers in the United Kingdom at a cost of approximately \$33.5 million. The Company also expects that the capital expenditure requirements related to the rollout of digital broadcast transmission in the United Kingdom will be approximately (Pounds)110.0 million (\$184.4 million).

To fund the execution of the Company's business strategy, the Company and its subsidiaries expect to use the net proceeds of the Offering, the borrowings available under the Senior Credit Facility, the borrowings available under the CTI Credit Facility and the remaining net proceeds from the 1997 Notes Offering. Whether the Company utilizes the Senior Credit Facility and the CTI Credit Facility to finance expansion opportunities will depend upon a number of factors, including (i) the attractiveness of the opportunities, (ii) the time frame in which they are identified, (iii) the number of pre-existing projects to which the Company is committed and (iv) the Company's liquidity at the time of any potential opportunity. In the event the Company does not otherwise have cash available (from the net proceeds of the 1997 Notes Offering, the net proceeds of the Offering or otherwise), or borrowings under the Senior Credit Facility or the CTI Credit Facility have otherwise been utilized, when an opportunity arises, the Company would be forced to seek additional debt or equity financing or to forego the opportunity. In the event the Company determines 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 the Company's existing indebtedness. To the extent the Company is unable to finance future capital expenditures, it will be unable to achieve its currently contemplated business strategy.

For the years ended December 31, 1995, 1996 and 1997, and for the three months ended March 31, 1998, CCIC's net cash provided by (used for) operating activities was \$1.7 million, (\$0.5 million), (\$0.6 million) and (\$3.0 million), respectively. Since its inception, CCIC has generally funded its activities (other than its acquisitions and investments) through excess proceeds from contributions of equity capital. CCIC has financed its acquisitions and investments with the proceeds from equity contributions, borrowings under the Senior Credit Facility and the issuance of promissory notes to sellers. For the ten months ended December 31, 1997 and for the three months ended March 31, 1998, CTI's net cash provided by operating activities was \$51.0 million and \$3.7 million, respectively. Since its inception, CTI has generally funded its activities (other than the acquisition of the BBC Home Service Transmission Business) through cash provided by operations and borrowings under the CTI Credit Facility. CTI financed the acquisition of the BBC Home Service Transmission Business with the proceeds from equity contributions and the issuance of the CTI Bonds.

On a pro forma basis, capital expenditures (excluding acquisitions) were \$56.5 million for the year ended December 31, 1997 (of which \$3.4 million was for CCIC and TEA, \$27.1 million was for Crown and \$26.0 million was for CTI) and \$36.8 million for the three months ended March 31, 1998 (of which \$0.8 million was for CCIC, \$23.7 million was for Crown and \$12.3 million was for CTI).

In August and October of 1997, CCIC issued shares of its Senior Convertible Preferred Stock for aggregate net proceeds of \$29.3 million and \$36.5 million, respectively. The proceeds from the August issuance were used to make a \$25.0 million payment as part of the cash purchase price for the Crown Merger. On October 31, 1997, the Company entered into an amendment to the Senior Credit Facility. As amended, the Senior Credit Facility provides for available borrowings of \$100.0 million and expires on December 31, 2004. On October 31, 1997, in

connection with the October Refinancing, new borrowings under the Senior Credit Facility of \$94.7 million, along with the proceeds from the October issuance of the Senior Convertible Preferred Stock, were used to repay the seller note issued in connection with the Crown Merger, to repay loans outstanding under a credit agreement at CCI and to pay related fees and expenses. The Senior Credit Facility requires the Company to maintain certain financial covenants and places restrictions on the ability of the Company and its subsidiaries to, among other things, incur debt and liens, pay dividends, make capital expenditures, undertake transactions with affiliates and make investments.

CCIC used the net proceeds from the 1997 Notes Offering to repay substantially all of its outstanding indebtedness, including borrowings under the Senior Credit Facility, and to pay related fees and expenses. The balance of the net proceeds from the 1997 Notes Offering is being used for general corporate purposes. As of June 30, 1998, CCIC's subsidiaries had unused borrowing availability under the Senior Credit Facility of approximately \$27.8 million.

On February 28, 1997, CTI used the proceeds from equity contributions and borrowings under the CTI Credit Facility to finance the acquisition of the BBC Home Service Transmission Business. On May 21, 1997, CTI used the net proceeds from the sale of the CTI Bonds to repay substantially all of the outstanding borrowings under the CTI Credit Facility. As of June 30, 1998, CTI had unused borrowing availability under the CTI Credit Facility of approximately (Pounds)35.0 million (\$58.4 million). The CTI Credit Facility requires CTI to maintain certain financial covenants and places restrictions on the ability of CTI to, among other things, incur debt and liens, pay dividends, make capital distributions, make acquisitions, undertake transactions with affiliates and make investments. On July 17, 1998, the lenders (acting through Credit Suisse First Boston, as agent) under the CTI Credit Facility waived a provision in the CTI Credit Facility that would have required the repayment of the CTI Credit Facility concurrently with the listing of the Company's Common Stock.

Prior to May 15, 2003, CCIC's interest expense on the Notes will be comprised solely of the accretion of original issue discount. Thereafter, the Notes will require annual cash interest payments of approximately \$26.7 million. In addition, the Senior Credit Facility, the CTI Credit Facility and the CTI Bonds will require periodic interest payments on amounts borrowed thereunder. The Company's ability to make scheduled payments of principal of, or to pay interest on, its debt obligations, and its ability to refinance any such debt obligations (including the Notes and the CTI Bonds), will depend on its future performance, which, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond its control. As discussed above, the Company's business strategy contemplates substantial acquisitions and capital expenditures in connection with the expansion of its tower footprints. There can be no assurance that the Company will generate sufficient cash flow from operations in the future, that anticipated revenue growth will be realized or that future borrowings, equity contributions or loans from affiliates will be available in an amount sufficient to service its indebtedness and make anticipated capital expenditures. The Company anticipates that it may need to refinance all or a portion of its indebtedness (including the Notes and the CTI Bonds) on or prior to its scheduled maturity. There can be no assurance that the Company will be able to effect any required refinancings of its indebtedness (including the Notes and the CTI Bonds) on commercially reasonable terms or at all. See "Risk Factors".

INFLATION

Because of the relatively low levels of inflation experienced in 1995, 1996 and 1997, inflation did not have a significant effect on CCIC's, Crown's or CTI's results in such years.

COMPENSATION CHARGES RELATED TO STOCK OPTION GRANTS

During the period from April 24, 1998 through July 15, 1998, CCIC 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 will vest upon consummation of the Offering 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, CCIC 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 an expected director nominee) 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 and at prices substantially below the expected price to the public in the Offering, CCIC will record 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 Offering. Such compensation charge will total approximately \$35.1 million, of which approximately \$20.2 million will be recognized upon consummation of the Offering (for such options and shares which vest upon consummation of the Offering), and the remaining \$14.9 million will be recognized over five years (approximately \$3.0 million per year) through the second quarter of 2003.

IMPACT OF RECENTLY ISSUED ACCOUNTING STANDARDS

In February 1997, the Financial Accounting Standards Board (the "FASB") issued Statement of Financial Accounting Standards No. 128, Earnings per Share ("SFAS 128"). SFAS 128 establishes new standards for computing and presenting earnings per share ("EPS") amounts for companies with publicly held common stock or potential common stock. The new standards require the presentation of both basic and diluted EPS amounts for companies with complex capital structures. Basic EPS is computed by dividing income available to common stockholders by the weighted-average number of common shares outstanding for the period, and excludes the effect of potentially dilutive securities (such as options, warrants and convertible securities) which are convertible into common stock. Dilutive EPS reflects the potential dilution from such convertible securities. SFAS 128 is effective for periods ending after December 15, 1997. The Company has adopted the requirements of SFAS 128 in its financial statements for the year ended December 31, 1997.

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 the three months ended March 31, 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 will adopt the requirements of SFAS 131 in its financial statements for the year ending December 31, 1998.

YEAR 2000 COMPLIANCE

The Company is in the process of conducting a comprehensive review of its computer systems to identify which of its systems will have to be modified, upgraded or converted to recognize and process dates after December 31, 1999 (the "Year 2000 Issue"), and is in the initial stages of developing an implementation plan to resolve the issue. The Company expects to incur internal staff costs, as well as other expenses, related to testing and updating its systems to prepare for the Year 2000. The Company presently believes that, with modifications and upgrades to existing software and successful conversion to new software, the Year 2000 Issue will not pose significant operational problems for the Company's systems as so modified, upgraded or converted. Although the Company is in the initial phases of determining the impact of the Year 2000 Issue, the Company anticipates it will be fully Year 2000 compliant by September 1, 1999; however, any delays or omissions by the Company or its customers, suppliers or contractors to resolve the Year 2000 Issue could materially adversely affect the Company's business, financial condition or results of operations. There can be no assurance that amounts to be spent on addressing the Year 2000 Issue will not be material.

INDUSTRY BACKGROUND

GENERAL

The Company owns, operates and manages wireless communications and broadcast transmission infrastructure, including towers and other communications sites, and also provides a full range of complementary network support services. Each of the wireless communications and broadcasting industries is currently experiencing a period of significant change.

The wireless communications industry is growing rapidly as new wireless technologies are developed and consumers become more aware of the benefits of wireless services. Wireless technologies are being used in more applications and the cost of wireless services to consumers is declining. A significant number of new competitors in the wireless communications industry have developed as additional frequency spectrum has become available for a wide range of uses, most notably PCS and PCN. This competition, combined with an increasing reliance on wireless communications by consumers and businesses, has led to an increased demand for higher quality, uninterrupted service and improved coverage, which, in turn, has led to increased demand for communications sites as new carriers build out their networks and existing carriers upgrade and expand their networks to maintain their competitiveness. These trends are affecting the wireless communications industry around the world.

As the wireless communications industry has become more competitive, wireless communications carriers have sought operating and capital efficiencies by outsourcing certain network services and the build-out and operation of new and existing infrastructure and by co-locating transmission equipment with other carriers on multiple tenant towers. The need for co-location has also been driven by the growing trend by municipalities to slow the proliferation of towers. Further, the Company believes that there has been a fundamental shift in strategy among established wireless communications carriers relating to infrastructure ownership. The Company believes that in order to free up capital for the growth and management of their customer bases and expansion of their service offerings, such carriers are beginning to seek to sell their wireless communications infrastructure to, or establish joint ventures with, experienced infrastructure providers that have the ability to manage networks. The Company believes that those infrastructure providers with a proven track record of providing end-to-end services will be best positioned to successfully acquire access to such wireless communications infrastructure.

The television broadcasting industry is experiencing significant change because of the impending widespread deployment of digital terrestrial television. In the United States, the FCC has required the four major networks (ABC, CBS, NBC and Fox) to commence DTV broadcasts in the top ten markets by May 1999 and in the top 30 markets by November 1999. In the United Kingdom, pursuant to the Broadcasting Act 1996, six digital television transmission multiplexes, which permit the holders to transmit digital television broadcasting services, have been allocated with digital transmission expected to commence on a commercial basis in late 1998. Australia, France, Germany, Japan, Spain and Sweden are expected to be the next countries to introduce digital terrestrial television, followed by other European nations and later by developing countries. Many countries are expected to start to establish digital services within the next five years. The shift to digital transmission will require network design, development and engineering services and the significant enhancement of existing broadcast transmission infrastructure, including new transmission and monitoring equipment and the modification, strengthening and construction of towers (including over 1,000 tall towers in the United States). In addition, state-run broadcast transmission networks are continuing to be privatized throughout the world.

The Company expects these trends to continue around the world in both the wireless communications and broadcasting industries. The Company believes that the next logical step in the outsourcing of infrastructure by wireless communications carriers and broadcasters will be the outsourcing of the operation of their towers and transmission networks, including the transmission of their signals, in much the same way as the BBC has done with its transmission network. This outsourcing will allow carriers to realize additional operating and capital efficiencies and to focus on management of their customer bases and expansion of their service offerings. Management believes that such carriers will only entrust the transmission of their signals to those infrastructure providers, such as the Company, that have the ability to manage towers and transmission networks and a proven track record of providing end-to-end services to the wireless communications and broadcasting industries.

DEVELOPMENT OF THE TOWER INDUSTRY

United States. The U.S. wireless communications industry was transformed in the 1970s through the issuance of licenses by the FCC to provide high quality communications services to vehicle-mounted and hand-held portable telephones, pagers and other devices. The licensees built and began operating wireless networks that were supported by communication sites, transmission equipment and other infrastructure. In the early 1980s, the number of towers began to expand significantly with the development of more advanced wireless communications systems, particularly cellular and paging. Nevertheless, as additional towers were built by the wireless communications carriers, they often were built for a single purpose rather than as multiple tenant towers. Further, these towers were generally owned and maintained by carriers and were treated as corporate cost centers operated primarily for the purpose of transmitting or receiving such carriers' signals.

During the mid-to-late 1980s, a number of independent operators of towers began to emerge. These independent tower operators focused on owning and managing towers with multiple tenants by adding lessees to existing and reconstructed towers. The Company believes the majority of these operators were small business owners with a small number of local towers and few services other than site rental. In the last five years, however, several larger independent tower operators have emerged as demand for wireless services has continued to grow and as additional high frequency licenses have been awarded for new wireless services (including PCS, narrowband paging and wireless local loop), each requiring networks with extensive tower infrastructure. These independent tower operators have sought to acquire smaller operators as well as suitable clusters of towers formerly owned by carriers and broadcasters in order to establish regional and national "tower footprints". Carriers expanding or building a network in a geographic area generally seek to lease space for antennas from a tower company with a strategically located cluster of towers and other communication sites in that area in order to efficiently and effectively establish service coverage in a given market.

Today, towers are owned by a variety of companies, including wireless communications carriers, local and long distance telecommunications companies, broadcasting companies, independent tower operators, utilities and railroad companies. Despite the increasing demand for towers, the tower industry in the United States remains highly fragmented, with only a few independent tower operators owning a large number of towers. The pace of consolidation has begun to accelerate, however, as the larger independent operators continue to acquire small local operators and purchase towers from wireless communications companies. In addition, wireless communications carriers are building out new, or filling in existing, tower footprints for new and existing wireless services. Independent operators have also expanded into a number of associated network and communication site services, including the design of communication sites and networks, the selection and acquisition of tower and rooftop sites (including the resolution of zoning and permitting issues) and the construction of towers. Previously, carriers typically handled such services through in-house departments, and local nonintegrated service contractors focused on specific segments such as radio frequency engineering and site acquisition.

Broadcast towers in the United States have typically been owned and operated on a fragmented basis. Typically, each network affiliate in each major market owns and operates its own television broadcasting tower. Local stations often have co-located their transmission equipment on these towers. Radio broadcast towers have also typically been erected by each station in a given market. Both television and radio broadcast towers have generally been constructed only for a single user and would require substantial strengthening to house new digital transmission equipment or other analog transmission equipment. As a result, similar to wireless communications towers, such towers historically have been treated as corporate cost centers operated primarily for the purpose of transmitting such broadcasters' signals.

United Kingdom. The first towers in the United Kingdom were built for the BBC's MF radio services. Additional towers were built in the 1940s to transmit HF radio services around the world. In the 1950s, both the BBC and Independent Television Authority (the predecessor of the Independent Broadcasting Authority) built towers for transmission of VHF television. The BBC used some of these towers and built additional towers in the 1960s for its VHF/FM radio services. UHF television started in 1964 and is now transmitted from some
1,100

towers. These towers have been built at a relatively constant rate (compared with wireless communications towers). The majority of tall towers were built in the 1950s and 1960s. The number of smaller towers built peaked at approximately 80 per year in the 1970s, reducing to approximately 25 per year in the early 1990s. The size and structure of towers varies widely due to location, antenna requirements and wind loading. Towers built primarily for broadcast transmission are often able to carry wireless communications antennas. Those that are currently incapable of doing so can be strengthened or replaced.

Since 1982, the growth of wireless communications in the United Kingdom has led to significant expansion in the number of towers. Historically, there have been four major wireless communications carriers in the United Kingdom, each of which, in general, built towers for its own use, rather than as multiple tenant owners. These towers are owned and maintained by such carriers and, as in the United States, were treated as corporate cost centers operated primarily for the purpose of transmitting or receiving their signals. With the smaller geographic size of the United Kingdom, as compared to the United States, these carriers typically constructed their tower footprint to provide national coverage. Because of this nationwide buildout, independent tower owners have not developed as they have in the United States. In addition to wireless communications providers, towers in the United Kingdom are owned by a variety of companies, such as telecommunications companies, utilities and railroad companies.

Today, tower owners are upgrading their networks to provide more capacity and better service to their customers, while new entrants to the wireless communications market have sought to acquire rapid access to networks that provide national coverage. With the significant costs associated with the approval process for and the construction of new towers, and the significant capital requirements associated with ownership of tower infrastructure, wireless communications carriers have begun to look to third party tower owners to co-locate their antennas on existing towers, to build, own and operate new towers and to acquire such carriers' portfolios of existing towers.

CHARACTERISTICS OF THE TOWER INDUSTRY

Management believes that, in addition to the favorable growth and outsourcing trends in the wireless communications and broadcasting industries and high barriers to entry as a result of regulatory and local zoning restrictions associated with new tower sites, tower operators benefit from several favorable characteristics. The ability of tower operators to provide antenna sites to customers on multiple tenant towers provides them with diversification against the specific technology, product and market risks typically faced by any individual carrier. The emergence of new technologies, carriers, products and markets may allow independent tower operators to further diversify against such risks. Additionally, tower operators face increased "Not-In-My-Backyard" ("NIMBY") sentiment by communities and municipalities, which is reducing the number of opportunities for new towers to be built and driving the trend toward co-location on multiple tenant towers.

The Company believes that independent tower operators also benefit from the contractual nature of the site rental business and the predictability and stability of monthly, recurring revenues. In addition, the site rental business has low variable costs and significant operating leverage. Towers generally are fixed cost assets with minimal variable costs associated with additional tenants. A tower operator can generally expect to experience increasing operating margins when new tenants are added to existing towers.

The site rental business typically experiences low tenant churn as a result of the high costs that would be incurred by a wireless communications carrier were it to relocate an antenna to another site and consequently be forced to re-engineer its network. Moving a single antenna may alter the pre-engineered maximum signal coverage, requiring a reconfigured network at significant cost to maintain the same coverage. Similarly, a television or FM broadcaster would incur significant costs were it to relocate a transmitter because, in order to avoid interruption of its transmissions, it would be necessary for the broadcaster to install and commence operations of a second broadcast site prior to ceasing signal transmission at the first site. In addition, regulatory problems associated with licensing the location of the new antenna with the FCC, in the United States, or being licensed for the location by the Radiocommunications Agency (the "RA") in the United Kingdom, may arise if

the new location is at the edge of the wireless communication carrier's coverage area and if there is a possible adverse impact on other carriers. Municipal approvals are becoming increasingly difficult to obtain and may also affect the carrier's decision to relocate. The costs associated with network reconfiguration and FCC, RA and municipal approval and the time required to complete these activities may not be justified by any potential savings in reduced site rental expense.

TRENDS IN THE WIRELESS COMMUNICATIONS AND BROADCASTING INDUSTRIES

The Company's existing and future business opportunities are affected by the ongoing trends within the two major industries it serves, namely the wireless communications industry and the radio and television broadcasting industry. Each of these industries is currently experiencing a period of significant change that the Company believes is creating an increasing demand for communication sites and related infrastructure and network support services.

Wireless Communications

The wireless communications industry now provides a broad range of services, including cellular, PCS, paging, SMR and ESMR. The industry has benefitted in recent years from increasing demand for its services, and industry experts expect this demand to continue to increase.

The Company believes that more communication sites will be required in the future to accommodate the expected increase in demand for wireless communications services. Further, the Company sees additional opportunities with the development of higher frequency technologies (such as PCS), which have a reduced cell range as a result of signal propagation characteristics that require a more dense network of towers. In addition, network services may be required to service the network build-outs of new carriers and the network upgrades and expansion of existing carriers.

In addition to the increasing demand for wireless services and the need to develop and expand wireless communications networks, the Company believes that other trends influencing the wireless communication industry have important implications for independent tower operators. In order to speed new network deployment or expansion and generate efficiencies, carriers are increasingly co-locating transmission equipment with that of other network operators. The trend towards co-location has been furthered by the NIMBY arguments generated by local zoning/planning authorities in opposition to the proliferation of towers. Further, the number of competitors in wireless communications is increasing due to the auction of new spectrum and the deployment of new technologies. In this increasingly competitive environment, many carriers are dedicating their capital and operations primarily to those activities that directly contribute to subscriber growth, such as marketing and distribution. These carriers, therefore, have sought to reduce costs and increase efficiency through the outsourcing of infrastructure network functions such as communication site ownership, construction, operation and maintenance. Further, the Company believes that these carriers are beginning to seek to move their tower portfolios off their balance sheets through sales to, or joint ventures with, experienced tower operators who have the proven capability to provide end-to-end services to the wireless communications industry.

United States. Current emerging wireless communications systems, such as PCS and ESMR, represent an immediate and sizable market for independent tower operators and network services providers as carriers build out large nationwide and regional networks. While several PCS and ESMR carriers have already built limited networks in certain markets, these carriers still need to fill in "dead zones" and expand geographic coverage. The Cellular Telecommunications Industry Association ("CTIA") estimates that, as of December 31, 1997, there were 51,600 antenna sites in the United States. The Personal Communications Industry Association ("PCIA") estimates that the wireless communications industry will construct at least 100,000 new antenna sites over the next 10 years. As a result of advances in digital technology, ESMR operators, including Nextel, have also begun to design and deploy digital mobile telecommunications networks in competition with cellular carriers. In particular response to the increased competition, cellular operators are re-engineering their networks by increasing the number of sites, locating sites within a smaller radius, filling in "dead zones" and converting

from analog to digital cellular service in order to manage subscriber growth, extend geographic coverage and provide competitive services. The demand for communication sites is also being stimulated by the development of new paging applications, such as e-mail and voicemail notification and two-way paging, as well as other wireless data applications. In addition, as wireless communications networks expand and new networks are deployed, the Company anticipates that demand for microwave transmission facilities that provide "backhaul" of traffic between communications sites to or from a central switching facility will also increase.

Licenses are also being awarded, and technologies are being developed, for numerous new wireless applications that will require networks of communication sites. Future potential applications include those that will be deployed by the winners of licenses auctioned in February and March 1998 for local multi-point distribution services, including wireless local loop, wireless cable television, wireless data and wireless Internet access. Radio spectrum required for these technologies has, in many cases, already been awarded and licensees have begun to build out and offer services through new wireless systems. Examples of these systems include local loop networks operated by WinStar and Teligent, wireless cable networks operated by companies such as Cellular Vision and CAI Wireless, and data networks being constructed and operated by RAM Mobile Data, MTEL and Ardis.

United Kingdom. As in the United States, the development of newer wireless communications technologies, such as PCN and digital Terrestrial Trunked Radio ("TETRA"), provides tower operators with immediate opportunities for site rental and new tower buildout. The four existing national GSM/PCN carriers continue to fill in dead zones and add capacity to their networks. Also, the carrier that is using the TETRA standard, which is similar to GSM and has been adopted throughout Europe, is deploying a network across the United Kingdom. The United Kingdom's newly-licensed wireless local loop operators have the potential to be important site rental customers. Wireless local loop operators provide telephony services that are comparable to the range and quality of services delivered over the fixed wire networks. This technology is being rapidly deployed as a low-cost alternative to fixed networks. To date, a total of seven spectrum licenses have been awarded to companies planning to deploy wireless loop systems. In addition, the deployment of a new national digital PMR system (using the TETRA standard) for the use of the U.K. emergency services and the announced licensing in early 1999 by the U.K. Government of UMTS (Universal Mobile Telecommunications Service) networks, which will be the third generation of cellular, should create additional demand for antenna space and tower sites.

Radio and Television Broadcasting

General. There are currently three main transmission delivery methods for television and radio broadcasts: terrestrial, direct-to-home ("DTH") satellite and cable. Terrestrial technology, the most common delivery method in the United States and many other countries including the United Kingdom, relies on signal transmission by wireless telegraphy from a network of terrestrial transmitters for direct reception by viewers or listeners through an aerial system. Satellite signals are transmitted to satellites that then beam the signal over a target area (satellite footprint) for reception by a customer's satellite dish. A satellite customer must either purchase or rent a dish and a receiver/decoder and pay subscription fees to the relevant provider. A cable television customer typically rents a receiver/decoder and pays a subscription fee to receive services that are distributed to the home through co-axial or fiber optic cable.

Until the 1990s, all three delivery methods used analog technology, which remains the most widespread technology in use today. In the early 1990s, digital technology was developed for radio and television broadcasting and has begun to be introduced for the transmission of radio and television signals. Digital transmission is now possible by terrestrial, satellite and cable methods.

Digital technology allows a number of signals to be compressed and interleaved, using a technical process called "multiplexing", before the combined signal is transmitted within a single frequency channel. This process makes the signal more robust, allowing the use of parts of the spectrum unavailable to analog. A greater quantity

of audio-visual information can be transmitted with the same amount of frequency spectrum allowing higher resolution or multiple channels to be broadcast. At the point of reception, the compression and interleaving are decoded and individual signals recovered.

Some of the principal advantages of digital compared to analog transmission include: (i) greater number, choice and flexibility of broadcasting services offered; (ii) scope for greater interactivity on the part of viewers and listeners; (iii) greater capacity for pay-television (subscription and pay-per-view) as well as free-to-air services; and (iv) enhanced picture quality and sound. The development and timing of implementation of digital transmission technology to the general public is a function of several factors, including technological advancement, cost of equipment and conversion process, quality improvement of visual and sound transmission and demand for terrestrial bandwidth. The transition to digital transmission will involve additional costs to viewers and program and transmission service providers. Viewers will require additional equipment such as set-top boxes or digital televisions. Program providers have begun to re-equip their studios and production facilities with digital technology.

United States. Prior to the introduction of digital transmission, the U.S. broadcasting industry had generally been a mature one in terms of demand for transmission tower capacity, although even then opportunities existed for independent tower operators to purchase transmission networks, manage them on behalf of broadcasters under long-term contracts and lease space on broadcasting towers to wireless communications carriers.

The FCC-mandated introduction of digital television broadcasting will provide new opportunities for independent tower operators. The conversion of broadcasting systems from analog to digital technology will require a substantial number of new towers to be constructed to accommodate the new systems and analog equipment displaced from existing towers. Even with DTV transmissions, television station owners will continue to broadcast the existing analog signals for a number of years. Broadcasters that own their own tower infrastructure may elect to remove third-party tenants from their towers to make room for their own DTV equipment. These displaced tenants, and tower owners that are unable to remove existing third party tenants from their towers, will require new towers to accommodate their transmission equipment. The National Association of Broadcasters projects that by the year 2010 approximately 1,400 tall towers will be required to be built, strengthened or modified to support DTV, with 200 towers required in the top 50 markets within the next five years. Further, because of the need for broadcasters to purchase new transmission equipment to deploy DTV, they will have fewer resources to devote to the buildout of new tower infrastructure. The Company believes that these circumstances, along with the relative scarcity of suitable sites and prevalent NIMBY attitudes, will allow experienced tower operators to build and operate multiple tenant broadcast towers to transmit DTV signals. These towers will also be attractive sites for the distribution of FM radio broadcasts.

United Kingdom. The broadcasting industry in the United Kingdom has generally been a mature one in terms of demand for transmission tower capacity. Existing towers provide almost universal coverage for analog transmission, which remains the primary mode of transmission for television and radio programs in the United Kingdom. Most of the BBC's radio services, three Independent National Radio services and many local services are broadcast by analog terrestrial means. Some radio services are also available by satellite and cable for reception on fixed installations, but not portable or mobile sets.

Digital television services in the United Kingdom will be launched in 1998 from terrestrial transmitters (DTT), satellite (DST) and cable (DCT). The Broadcasting Act of 1996 sets out a framework for the licensing of digital terrestrial multiplexes and an industry interest group has been established to coordinate the establishment of digital television in the United Kingdom. The British Government has allocated six multiplexes for DTT: two and one-half of these multiplexes were reserved for the BBC, ITV, Channel 4, S4C and Channel 5, three were recently awarded to BDB (which is a joint venture of Carlton Communications PLC and Granada Group PLC) and the other one-half was awarded to S4C Digital Network. The Company has been awarded the digital transmission contract for the four multiplexes held by the BBC and BDB, while NTL has been awarded the digital transmission contract for the other two multiplexes.

Build-out of digital terrestrial transmission equipment in the United Kingdom is being based on existing analog terrestrial infrastructure, including transmission sites and towers. In the initial phase of the rollout of digital terrestrial transmission equipment, 81 analog transmission sites and towers will be upgraded with new transmitters and associated systems required to support DTT. Digital broadcasts from these sites are expected to reach approximately 90% of the U.K. population. It is expected that additional sites will continue to be upgraded until the "vast majority" of viewers can receive digital broadcasts.

While no formal timetable has been set for the discontinuation of analog terrestrial television broadcasting, the British Government has announced its intention to review, by 2002, the timing of analog "switch-off". When analog television transmission ceases, large amounts of frequency spectrum will be released. New uses for this spectrum have not yet been defined but applications are likely to include other digital broadcasting applications and mobile communications. The spectrum is inherently suitable for terrestrial transmission, so it is likely that existing towers will be used to provide many of the new services.

In September 1995, the BBC launched the United Kingdom's first digital radio service, which is now broadcast to approximately 60% of the U.K. population from 29 transmission sites. Independent National Radio ("INR") and Independent Local Radio licenses for additional digital radio multiplexes are expected to be issued by the end of 1998.

To date, existing broadcast towers have been used as transmission sites for the BBC's digital radio service, and it is anticipated that existing towers also will be used for the independent services, often sharing the antennas used for the BBC's digital radio service. While digital radio has the advantage of using a single frequency network, which enables expanded geographic coverage as compared with the multiple frequency networks used for analog radio, to replicate the coverage of analog radio it will be necessary to broadcast digital radio from more sites than at present. Although detailed planning has not yet begun, it is expected that existing towers will provide the necessary sites. As with DTT, the Company believes that ownership of key broadcasting sites across the United Kingdom will allow an experienced operator to provide the infrastructure necessary to accommodate the growth in digital radio at minimum cost.

BUSINESS

The Company is a leading U.S. and international provider of wireless communications and broadcast transmission infrastructure and related services. The Company owns, operates and manages towers, rooftop sites and broadcast transmission networks, and provides a full range of complementary services including network design and site selection, site acquisition, site development and construction, antenna installation and network management and maintenance. The Company has 19 years of experience in the ownership, leasing and management of wireless communications sites and a 75-year history of broadcast transmission and network management. Based on its industry position and experience, the Company believes it is positioned to capitalize on global growth opportunities arising from (i) the expansion of existing networks and the introduction of new networks in the wireless communications industry, (ii) the consolidation of tower ownership generally, including the transfer of infrastructure ownership from major wireless communications carriers to independent infrastructure providers, (iii) the ongoing privatization of state-run broadcast transmission networks around the world and (iv) the widespread introduction of digital transmission technology in the broadcasting industry. For the year ended December 31, 1997 and the three months ended March 31, 1998, the Company had pro forma revenues of \$180.9 million and \$45.9 million, respectively.

The Company's site rental business involves leasing antenna space to customers on its owned and managed towers and rooftop sites. The Company generally receives fees for installing a customer's equipment and antennas on a tower and also receives monthly rental payments from customers under site leases that typically range in term from three to five years. The Company's major site rental customers include Aerial Communications, American Paging, AT&T Wireless, Bell Atlantic Mobile, BellSouth Mobility, Motorola, Nextel, PageNet and Sprint PCS in the United States and Cellnet, National Transcommunications Limited, One2One, Orange Personal Communications and Vodafone in the United Kingdom.

The Company's broadcast transmission business includes both the transmission of analog and digital television and radio broadcasts and the construction of new multiple tenant broadcast towers. In the United Kingdom, the Company provides analog transmission services for two national television services, seven national radio services and 37 local radio stations through its network of 3,462 transmitters. These services are provided under long-term contracts with the BBC and two national commercial radio companies. In addition, the Company has long-term contracts to provide digital transmission services to the BBC and BDB, which together are the holders of four of the six multiplexes for digital terrestrial television broadcasting throughout the United Kingdom. In the United States, the Company plans to build new multiple tenant broadcast towers in locations where additional tower capacity is required to accommodate digital transmission equipment and analog transmission equipment displaced from existing towers.

The Company has developed, maintains and deploys primarily for its own use extensive wireless communications and broadcast transmission network design and radio frequency engineering expertise, as well as site acquisition, site development and construction and antenna installation capabilities. The Company has a team of over 300 engineers with state-of-the-art wireless communications and broadcast transmission network design and radio frequency engineering expertise. The Company plans to leverage its technical expertise and operational experience to enter into build-to-suit and purchase contracts with, and to enter into joint ventures to own and operate the wireless communications infrastructure of, various wireless communications carriers around the world. The Company believes the primary criteria of such carriers in selecting a company to construct, own or operate their wireless communications infrastructure will be the company's capability to maintain the integrity of their networks, including their transmission signals. Therefore, the Company believes 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.

As of April 30, 1998, the Company owned or managed 1,211 towers and 70 revenue producing rooftop sites. In addition, the Company had 1,217 rooftop sites under management throughout the United States that were not revenue producing but were available for leasing to customers and, in the United Kingdom, the Company had 54 revenue producing rooftop sites that were occupied by the Company's transmitters but were

not available for leasing to customers. The Company's major tower footprints consist of 752 owned and managed towers located across the United Kingdom, 196 owned and managed towers located in western Pennsylvania (primarily in and around the greater Pittsburgh area), 181 owned and managed towers located in the southwestern United States (primarily in Texas), 14 owned towers located on mountaintops across Puerto Rico and 22 towers along I-95 in North Carolina and South Carolina. In addition, the Company is currently constructing 26 new towers on existing sites and has 29 site acquisition projects in process for sites for its own use.

The Company is actively seeking opportunities for strategic acquisitions of communications sites and transmission networks and is currently in discussions with respect to potential significant acquisitions, investments and joint venture opportunities. In connection with a site marketing agreement recently entered into between the Company and BellSouth Mobility, the Company and BellSouth have agreed to explore future arrangements relating to the ownership, utilization and management of BellSouth's tower sites throughout the United States. The Company is also intending to submit a bid in connection with an auction by a major Regional Bell Operating Company of its U.S. wireless communications infrastructure. Similarly, the Company has bid on the tower assets, which encompass more than 250 U.S. tower sites, currently being auctioned by Vanguard Cellular. In addition, the Company is pursuing acquisition opportunities in Australia and New Zealand, including in certain instances together with other partners. For example, the Company, together with Fay Richwhite & Company Limited and Berkshire Partners LLC, has made an offer in respect of a wireless communications network, including its tower infrastructure and radio frequency spectrum. If such offer is successful and the transaction is consummated, the Company anticipates that it would invest up to approximately \$50.0 million for a substantial minority interest in the acquired business. The Company is also pursuing other potential acquisitions of communications sites and transmission networks, including in connection with privatizations of state-owned networks. Any of the foregoing discussions or auctions could result in an agreement with respect to a significant acquisition, investment or joint venture in the near term. However, there can be no assurance that the Company will consummate any of the foregoing transactions in the near term or at all. See "Risk Factors--Broad Discretion in Application of Proceeds" and "Risk Factors--Managing Integration and Growth".

BACKGROUND

Founded in 1994, the Company acquired 127 towers located in Texas, Colorado, New Mexico, Arizona, Oklahoma and Nevada from PCI in 1995. Also in 1995, in order to expand its geographic coverage, scope of services and client base, the Company consummated the Spectrum Acquisition for a leading rooftop management and engineering firm that manages rooftop sites. The Spectrum Acquisition provided the Company with management revenues for 44 rooftop sites, as well as important relationships with carriers, and gave the Company an entry into the market for wireless network services.

In 1996, the Company acquired from Motorola a strategic cluster of 14 towers located on mountaintops across Puerto Rico, as well as one rooftop site and an island-wide microwave and SMR system. The Puerto Rico Acquisition gave the Company a strategic tower footprint, and positioned the Company to be a leading independent tower operator in the Puerto Rican market. In addition, in July 1996, CCIC purchased an option to acquire 36% of TEA, which represented a significant step for the Company towards becoming a full service provider of wireless network services. TEA is a leading site acquisition firm offering carriers specialized expertise in site selection, site acquisition, zoning, permit procurement and project management. In May 1997, CCIC acquired all the outstanding shares of TEA. In June 1997, the Company purchased a minority interest in VISI, which intends to provide computerized geographic information for a variety of business applications (including site acquisition and telecommunication network design).

In February 1997, CCIC, along with Candover Investments plc, TdF and Berkshire, formed CTI to purchase the BBC Home Service Transmission Business. Following the CTI Investment, the Company owned 34.3% of CTI. The BBC Home Service Transmission Business included ownership of approximately 730 towers in the United Kingdom and rights to locate broadcast transmission equipment on an additional 558 towers in the United Kingdom owned by NTL, CTI's primary competitor. In addition, CTI entered into a 10-year contract with the

BBC to provide analog television and analog and digital radio transmission services in the United Kingdom. With the acquisition of the BBC Transmission Business, the Company, through its affiliation with CTI, gained access to an expertise in broadcast transmission upon which the Company believes it can capitalize in other markets.

In August 1997, CCIC expanded its tower footprints and enhanced its network services offering in the United States by consummating the Crown Merger. The assets acquired through the Crown Merger included 61 owned towers and exclusive rights to lease antenna space on 147 other towers and rooftop sites, most of which are located in and around the greater Pittsburgh area, giving the Company a significant presence in that market. The remaining acquired Crown communication sites are located in Pennsylvania, West Virginia, Kentucky, Ohio and Delaware. The Crown assets included engineering and operational expertise and management experience. The Crown Merger also provided the Company with relationships with major wireless communications carriers such as Aerial Communications, AirTouch Cellular, Bell Atlantic Mobile, AT&T Wireless, PageNet, Nextel and Sprint PCS.

THE ROLL-UP

On April 24, 1998, the Company entered into a Share Exchange Agreement pursuant to which, concurrently with the closing of the Offering, (i) all shareholders of CTSH (other than the Company, TdF and DFI) will exchange their shares of capital stock of CTSH for shares of Common Stock of the Company and (ii) DFI will exchange its shares of capital stock of CTSH for shares of Class A Common Stock of the Company. In connection with such exchanges, the Company will exercise warrants to acquire additional shares of capital stock of CTSH and subscribe for additional shares of capital stock of CTSH. Such transactions are collectively referred to herein as the "Exchange". Upon consummation of the Exchange, the Company will own 80.0% of CTSH and TdF will own the remaining 20.0%. Immediately prior to the Exchange, (i) each share of the Company's Existing Class A Common Stock will be converted into 1.523148 shares of Common Stock, (ii) each share of the Company's Existing Class B Common Stock will be reclassified as one share of Common Stock and (iii) each share of the Company's Existing Preferred Stock will be converted into one share of Common Stock. See "The Roll-Up".

Upon the consummation of the Offering, after giving effect to the Roll-Up: (i) DFI will own all of the outstanding Class A Common Stock (which is convertible into shares of Common Stock and represents a 10.4% beneficial ownership interest in the Company's Common Stock) and DFI and TdF together will (after giving effect to the TdF Conversions) beneficially own 25.0% of the Company's Common Stock; (ii) the Candover Group will beneficially own 11.6% of the Company's Common Stock; (iii) the Berkshire Group will beneficially own 21.2% of the Company's Common Stock; (iv) the Centennial Group will beneficially own 10.0% of the Company's Common Stock; (v) the Crown Parties will beneficially own 3.8% of the Company's Common Stock; and (vi) executive officers of the Company (excluding Mr. Crown) will beneficially own 6.1% of the Company's Common Stock. See "Principal and Selling Stockholders".

Following the Roll-Up, TdF will have certain significant governance and other rights with respect to the Company and the CTI business. Subject to certain conditions, TdF's consent will be required for the Company or CTI to undertake certain actions, including making certain acquisitions or dispositions, entering into strategic alliances with certain parties and engaging in certain business combinations. See "Risk Factors--Risks Related to Agreements with TdF" and "The Roll-Up--Roll-Up Agreements".

In addition, subject to certain conditions, (i) during the two year period following consummation of the Offering, TdF will have the right to exchange its shares of capital stock of CTSH for shares of Class A Common Stock of the Company at the Exchange Ratio (as defined) and (ii) on the second anniversary of the consummation of the Offering, the Company will have the right to require TdF to exchange its shares of capital stock of CTSH for shares of Class A Common Stock of the Company at the Exchange Ratio; provided, however, that in each case TdF will retain ownership of one CTSH share and, therefore, will retain its governance rights with respect to CTI until its ownership interest in the Company falls below 5%. See "Risk Factors--Risks Related to Agreements with TdF", "The Roll-Up--Roll-Up Agreements" and "Description of Capital Stock".

BUSINESS STRATEGY

The Company's objective is to become the premier global provider of wireless communications and broadcast transmission infrastructure and related services. The Company's experience in establishing and expanding its existing tower footprints, its experience in owning and operating both analog and digital transmission networks, its significant relationships with wireless communications carriers and broadcasters and its ability to offer customers its in-house technical and operational expertise, uniquely position it to capitalize on global growth opportunities. The key elements of the Company's business strategy are to:

- . **MAXIMIZE UTILIZATION OF TOWER CAPACITY.** The Company is seeking to take advantage of the substantial operating leverage of its site rental business by increasing the number of antenna leases on its owned and managed communications sites. The Company believes that many of its towers have significant capacity available for additional antenna space rental and that increased utilization of its tower capacity can be achieved at low incremental cost. For example, prior to the Company's purchase of the BBC's broadcast transmission network in 1997, the rental of available antenna capacity on the BBC's premier tower sites was not actively marketed to third parties. The Company believes there is substantial demand for such capacity. In addition, the Company believes that the extra capacity on its tower footprints in the United States and the United Kingdom 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 the Company's attractive existing tower footprints. Further, the Company intends to selectively build and acquire additional towers to improve the coverage of its existing tower footprints to further increase their attractiveness. The Company intends to use targeted sales and marketing techniques to increase utilization of and investment return on its existing, newly constructed and acquired towers.
- . **LEVERAGE EXPERTISE OF CCI AND CTI PERSONNEL TO IMPLEMENT GLOBAL GROWTH STRATEGY.** The Company is seeking to leverage the skills of its personnel in the United States and the United Kingdom. The Company believes that its ability to manage networks, including the transmission of signals, will be an important competitive advantage in its pursuit of global growth opportunities. With its wireless communications and broadcast transmission network design and radio frequency engineering expertise, the Company is well positioned (i) to partner with major wireless communications carriers to assume ownership of their existing towers, (ii) to provide build-to-suit towers for wireless communications carriers and broadcasters and (iii) to acquire existing broadcast transmission networks that are being privatized around the world.
- . **PARTNER WITH WIRELESS COMMUNICATIONS CARRIERS TO ASSUME OWNERSHIP OF THEIR EXISTING TOWERS.** The Company is seeking to partner with major wireless communications carriers to assume ownership of their existing towers directly or through joint ventures. The Company believes the primary criteria of such carriers in selecting a company to own and operate their wireless communications infrastructure will be the company's perceived capability to maintain the integrity of their networks, including their transmission signals. Therefore, the Company believes 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. The Company is currently in discussions with major wireless communications carriers in the United States to form joint ventures that would own and operate their towers and believes that similar opportunities will arise globally as the wireless communications industry further expands.
- . **PROVIDE BUILD-TO-SUIT TOWERS FOR WIRELESS COMMUNICATIONS CARRIERS AND BROADCASTERS.** As wireless communications carriers continue to expand and fill-in their service areas, they will require additional communications sites and will have to build new towers where co-location is not available. Similarly, the introduction of DTV in the United States will require the construction of new broadcast towers to accommodate new digital transmission equipment and analog transmission equipment displaced from existing towers. The Company is aggressively pursuing these build-to-suit

opportunities, leveraging on its ability to offer end-to-end services. In addition, the Company intends to pursue build-to-suit opportunities through any joint venture or similar arrangement it establishes in connection with the acquisition of existing towers from wireless communications carriers.

- **ACQUIRE EXISTING BROADCAST TRANSMISSION NETWORKS.** In 1997, CTI successfully acquired the privatized domestic broadcast transmission network of the BBC. In addition, the Company is implementing the roll-out of digital television transmission services throughout the United Kingdom. As a result of this experience, the Company is 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 acquiror the ability to offer unused antenna capacity to new and existing radio and television broadcasters and wireless communications carriers, as well as to install new technologies such as digital terrestrial transmission services. In addition, the Company's experience in broadcast transmission services allows the Company to consider, when attractive opportunities arise, acquiring wireless transmission networks as well as the acquisition of associated wireless communications infrastructure. The Company is currently pursuing a number of international acquisition and privatization opportunities.
- **CAPITALIZE ON MANAGEMENT EXPERIENCE.** The Company's management team has extensive experience in the tower industry and in the management of broadcast transmission networks. Many of the senior executives have worked together for an extended period, which enables them to leverage their collective strengths in a rapidly changing industry environment. In addition, management is highly motivated to produce strong operating results based on their stock ownership in the Company.

THE COMPANY

CCIC is a holding company that conducts all of its business through its subsidiaries. CCIC's two principal operating subsidiaries are CCI, through which it conducts its U.S. operations, and CTI, through which it conducts its U.K. operations.

U.S. OPERATIONS

The Company's primary business focus in the United States is the leasing of antenna space on multiple tenant towers and rooftops to a variety of wireless communications carriers under long-term lease contracts. Supporting its competitive position in the site rental business, the Company maintains in-house expertise in, and offers its customers, infrastructure and network support services that include network design and communication site selection, site acquisition, site development and construction and antenna installation.

The Company leases antenna space to its customers on its owned and managed towers. The Company generally receives fees for installing customers' equipment and antennas on a tower and also receives monthly rental payments from customers payable under site rental leases that generally range in length from three to five years. The Company's U.S. customers include such companies as Aerial Communications, AirTouch Cellular, American Paging, AT&T Wireless, Bell Atlantic Mobile, BellSouth Mobility, Cellular One, Federal Express, Lucent Technologies, Motorola, Nextel, Nokia, PageNet, Skytel, Sprint PCS and USA Mobile, as well as private network operators and various federal and local government agencies, such as the Federal Bureau of Investigation, the Internal Revenue Service and the U.S. Postal Service.

At April 30, 1998, the Company owned or managed 459 towers and 70 revenue producing rooftop sites in the United States and Puerto Rico. In addition, the Company had 1,217 rooftop sites under management throughout the United States that were not revenue producing but were available for leasing to customers. The Company's major U.S. tower footprints are located in western Pennsylvania (primarily in and around the greater Pittsburgh area), in the southwestern United States (primarily in western Texas), across Puerto Rico and along I-95 in North Carolina and South Carolina. The Company plans to enhance and expand its tower footprints by building and acquiring multiple tenant towers in locations attractive to site rental customers. To that end, the

Company has developed, maintains and deploys for its own use extensive network design and radio frequency engineering expertise, as well as site selection, site acquisition and tower construction capabilities. The Company plans to leverage CCI's expertise and experience in building and acquiring new towers by entering into build-out, purchase or management contracts with various carriers and tower owners. For example, pursuant to an agreement with Nextel, as of April 30, 1998, the Company had constructed or purchased 46 sites, was in the process of constructing or receiving permits for an additional 30 sites and has the option to construct or purchase up to 113 additional multiple tenant towers with Nextel as an anchor tenant along certain interstate corridors. In addition, pursuant to this agreement, the Company purchased 46 of Nextel's existing towers clustered in various markets, including Philadelphia, Houston, Dallas and San Antonio and has the option to purchase four additional towers.

Communication Site Footprints

At April 30, 1998, the Company owned 331 towers and managed an additional 128 towers and 70 revenue producing rooftop sites in the United States and Puerto Rico. The Company is in the process of building 23 towers. The following table indicates, as of April 30, 1998, the type and geographic concentration of CCI's owned and managed towers and revenue producing rooftop sites:

	NUMBER	% OF TOTAL
	-----	-----
Towers:		
Pennsylvania.....	196	37.0%
Texas.....	129	24.4
New Mexico.....	34	6.4
Mississippi.....	21	4.0
Puerto Rico.....	14	2.6
West Virginia.....	12	2.3
Arizona.....	11	2.1
North Carolina.....	11	2.1
South Carolina.....	11	2.1
All Others.....	20	3.8
	----	----
	459	86.8
Rooftops(a).....	70	13.2
	----	----
Total.....	529	100.0%
	===	=====

(a) CCI manages an additional 1,217 rooftop sites throughout the United States that do not currently produce revenue but are available for leasing to its customers.

The Company expects to significantly broaden its existing U.S. tower footprints and expand into new strategically clustered sites by building additional towers. To that end, the Company, through CCI, has developed and maintains and deploys for its own use extensive network design and radio frequency engineering expertise and tower construction capabilities. The Company plans to leverage CCI's network design expertise 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. Building a tower only after securing an anchor tenant, the Company usually has been able to add additional carriers that have the same "dead zone", the Company also plans to leverage CCI's expertise and experience in building new towers by entering into build-out or purchase contracts with various carriers, such as the Nextel Agreement. As of April 30, 1998, the Company was constructing 23 towers (including one tower pursuant to the Nextel Agreement) in western Pennsylvania, Ohio, Texas, South Carolina and North Carolina to enhance its regional presence in these areas. As part of the Nextel Agreement, the Company had the option to build or purchase up to 250 towers along interstate highways in the midwestern and eastern United States over the next two years. As of April 30, 1998, 46 of these sites had been completed, an additional 30 sites were in various stages of permitting and construction and 61 sites had been rejected because they did not meet the Company's investment criteria. See "---Significant Contracts--Nextel Agreement".

The Company plans to use the towers acquired in the Crown Merger as a model for the towers it intends to build when population density and perceived demand are such that the Company believes the economics of constructing such towers are justified. Management believes the Crown towers are superior to those of its competitors because of their capacity and quality engineering. The multiple tenant design of the Crown 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. Using only hot dipped galvanized structures exceeding the standards of the American National Standards Institute, Electronics Industry Association and Telecommunications Industry Association, the Company builds towers capable of accommodating a large number of wireless antennas. 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. Tower sites are designed to withstand severe wind, lightning and icing conditions, have shelters with exclusive security card access and are surrounded by ten foot barbed wire fences.

The Company also plans to acquire towers in order to develop new tower footprints or to broaden its existing tower footprints. The Company believes that wireless communications carriers have begun to seek to sell, or establish joint ventures for the ownership of, their tower networks. See "Industry Background". The Company is actively seeking to enter into such arrangements with major wireless communications carriers. On a smaller scale, as part of the Nextel Agreement, the Company has purchased 46 of Nextel's existing towers and has the option to purchase an additional four towers. The Company believes that these towers will provide it with a portfolio of strategic clusters in Philadelphia, Houston, Dallas and San Antonio. The Company plans to continue to acquire additional towers from carriers, such as Nextel, and other independent tower operators as opportunities present themselves, although the Company currently has no agreements with regard to any such acquisitions.

The Company generally believes it has significant capacity on a number of its towers in the United States and Puerto Rico. Many of the towers it acquired prior to the Crown Merger, however, may require significant modifications and improvements to raise them to the quality specifications of the Crown towers or to add additional customers. The Company intends to pursue these upgrades where it believes it can achieve appropriate returns to merit the necessary expenditure.

Products and Services

The Company's products and services can be broadly categorized as either site rental, network services or broadcast site rental and services. Network services provided through CCI include network design and site selection, site acquisition, site development and construction and antenna installation.

Site Rental

In the United States, the Company rents antennae space on its owned and managed towers and rooftops to a variety of carriers operating cellular, PCS, SMR, ESMR, paging and other networks. The Company's U.S. site rental business has its headquarters in Pittsburgh, with sales offices in Houston, Albuquerque, Philadelphia and San Juan.

Tower Site Rental. The Company leases space to its customers on its owned and managed towers. The Company generally receives fees for installing customers' equipment and antennas on a tower (as provided in the Company's network services programs) and also receives monthly rental payments from customers payable under site leases. In the United States, the majority of the Company's outstanding customer leases, and the new leases typically entered into by the Company, 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 Company also provides a range of site maintenance services in order to support and enhance its site rental business. The Company believes that by offering services such as antenna, base station and tower maintenance and security monitoring, it is able to offer quality services to retain its existing customers and attract future customers to its communication sites. The Company was 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 co-location.

The following table describes the Company's top ten revenue producing towers in the United States and Puerto Rico:

NAME	LOCATION	HEIGHT (FT)	NUMBER OF TENANT LEASES	NUMBER OF ANTENNA	MARCH 1998 MONTHLY REVENUE
Crane.....	Pennsylvania	450	100	131	\$ 71,297
Bluebell.....	Pennsylvania	300	110	98	52,753
Lexington.....	Kentucky	500	89	85	36,794
Monroeville.....	Pennsylvania	500	64	90	37,824
Sandia Crest.....	New Mexico	140	16	37	26,264
Cranberry.....	Pennsylvania	400	50	86	26,678
Cerro de Punta.....	Puerto Rico	220	39	61	25,048
Beaver.....	Pennsylvania	500	43	56	24,109
El Yunque.....	Puerto Rico	200	36	81	26,100
Greensburg.....	Pennsylvania	375	36	62	24,053
			---	---	-----
Total.....			583	787	\$350,920
			===	===	=====

The Company has entered into master lease agreements with Aerial Communications, AT&T Wireless, Bell Atlantic Mobile, Nextel and Sprint PCS, among others, which provide certain terms (including economic terms) that govern new leases entered into by such parties during the term of their master lease agreements, including the lease of space on towers in the Pittsburgh major trading area ("Pittsburgh MTA"), which includes greater Pittsburgh and parts of Ohio, West Virginia and western Pennsylvania. Each of the Aerial Communications and Sprint PCS agreements has a 10-year master lease term through December 2006, with one 10-year and one five-year renewal period. Rents are adjusted periodically based on the cumulative Consumer Price Index. Nextel's master lease agreement with the Company has a 10-year master lease term through October 2006, with two 10-year renewal options. The Company has also entered into an independent contractor agreement with Nextel. The Bell Atlantic Mobile agreement has a 25-year master lease term through December 2020. The Company has also entered into a master lease agreement with Bell Atlantic whereby the Company has the right to lease antenna space to customers on towers controlled by Bell Atlantic Mobile. See "--Significant Contracts".

The Company has significant site rental opportunities arising out of its agreements with Bell Atlantic Mobile and Nextel. In its lease agreement with Bell Atlantic Mobile, the Company has exclusive leasing rights for 117 existing towers and currently has sublessees on 59 of these towers in the greater Pittsburgh area. The lease agreement provides that CCI may sublet space on any of these towers to another carrier subject to certain approval rights of Bell Atlantic Mobile. To date Bell Atlantic Mobile has never failed to approve a sublease proposed by CCI. In connection with the Nextel Agreement, as of April 30, 1998, the Company has the option to own and operate up to 113 additional towers. See "--Significant Contracts".

Rooftop Site Rental. The Company is a leading rooftop site management company in the United States. Through its subsidiary, Spectrum, the Company develops new sources of revenue for building owners by effectively managing all aspects of rooftop telecommunications, including two-way radio systems, microwave facilities, fiber optics, wireless cable, paging and rooftop infrastructure services. Spectrum's staff includes radio frequency engineers, managers, technicians and licensing personnel with extensive experience.

The Company generally enters into management agreements with building owners and receives a percentage of the revenues generated from the tenant license agreements. Specifically, the Company designs and contracts these sites, actively seeks multiple wireless communications carriers, prepares end-user license agreements, and then manages and enforces the agreements. In addition, the Company handles billing and collections and all calls and questions regarding the site, totally relieving the building's management of this responsibility.

Through Spectrum, the Company focuses on providing electronic compatibility for antennas, and maximization of revenue for building owners. In the United States, radio frequencies are assigned by the FCC but are not coordinated by proposed site. For this reason, Spectrum has developed its own computerized engineering program to determine the electronic compatibility of all users at each site. This program enables Spectrum to maximize site usage. Spectrum surveys each site and evaluates its location, height, physical and electronic characteristics, and its engineers prepare a computer analysis to determine the optimum location for different types of equipment and frequencies. Based on this analysis, potential site users are identified.

In addition to the technical aspects of site management, the Company provides operational support for both wireless communications carriers looking to build out their wireless networks, and building owners seeking to outsource their site rental activities. CCI stores and regularly updates relevant site data, such as the location of communications and broadcast equipment, into a database, which can be utilized to help wireless communications carriers plan and build out their networks.

Network Services

Through designing, building and operating its own communication sites, the Company, through CCI, has developed an in-house expertise in certain value-added services that it offers to the wireless communications and broadcasting industries. Because the Company views CCI as a turnkey provider with "end-to-end" design, construction and operating expertise, it offers its 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. The Company has extensive experience in network design and engineering and site selection. While the Company maintains sophisticated network design services primarily to support the location and construction of Company-owned multiple tenant towers, the Company does from time to time provide network design and site selection services to carriers and other customers on a consulting contract basis. The Company's network design and site selection services provide 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 1997, the Company provided network design services primarily for its own footprints and also for certain customers, including Triton Communications, Nextel, Aerial Communications and Sprint. These customers were typically charged on a time and materials basis.

To capitalize on the growing concerns over tower proliferation, the Company has developed a program called "Network Solutions" through which it will attempt to form strategic alliances with local governments to create a single communications network in their communities. To date the Company's efforts have focused on western Pennsylvania, where it has formed alliances with three municipalities. These alliances are intended to accommodate wireless communications 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 co-location, these alliances will reduce the number of towers in communities while serving the needs of wireless communications carriers and wireless customers.

Site Acquisition. In the United States, the Company is engaged in site acquisition services for its 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 ("GIS") 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, the Company's construction department takes over the process of constructing the site.

The Company provides solutions to the NIMBY dilemma of wireless companies by building more environmentally neutral and aesthetically acceptable towers. Designs have included a clock tower, bell tower and others that will allow communications companies to build in areas that otherwise would not permit a tower to be built.

In 1997, CCI provided site acquisition services to eight customers, including Aerial Communications, AirTouch Cellular, AT&T Wireless, Bell Atlantic Mobile, BellSouth Mobility, GTE Mobilnet, Nextel, Omnipoint, Pagemart, Sprint PCS and Teligent. These customers engage the Company for such site acquisition services on either a fixed price contract or a time and materials basis.

Site Development and Construction and Antenna Installation. The Company has provided site development and construction and antenna installation services to the U.S. communications industry for over 14 years. The Company has extensive experience in the development and construction of tower sites and the installation of antenna, microwave dishes and electrical and telecommunications lines. The Company's site development and construction services include clearing sites, laying foundations and electrical and telecommunications lines, and constructing equipment shelters and towers. The Company has designed and built and presently maintains tower sites for a number of its wireless communications customers and a substantial part of its own tower network. The Company can provide cost-effective and timely completion of construction projects in part because its site development personnel are cross-trained in all areas of site development, construction and antenna installation. A varied inventory of heavy construction equipment and materials are maintained by the Company at its 45-acre equipment storage and handling facility in Pittsburgh, which is used as a staging area for projects in major cities in the eastern region of the United States. The Company generally sets 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 the Company may negotiate fees on individual sites or for groups of sites. The Company has the capability and expertise to install antenna systems for its paging, cellular, PCS, SMR, ESMR, microwave and broadcasting customers. As this service is performed, the Company uses its technical expertise to ensure that there is no interference with other tenants. The Company typically bills for its antenna installation services on a fixed price basis.

The Company's construction management capabilities reflect Crown's extensive experience in the construction of networks and towers. For example, Crown was instrumental in launching networks for Sprint PCS, Nextel and Aerial Communications in the Pittsburgh MTA. In addition, Crown supplied these carriers with all project management and engineering services which included antenna design and interference analyses.

In 1997, the Company provided site development and construction and antenna services to approximately 21 customers in the United States, including Nextel, Sprint PCS, AT&T Wireless, Aerial Communications and Bell Atlantic Mobile.

Broadcast Site Rental and Services

The Company also provides site rental and related services to customers in the broadcasting industry in the United States. The launch of DTV in the United States will require significant expansion and modification of the existing broadcast infrastructure. Because of the significant cost involved in the construction or modification of tall towers, along with the large capital expenditures broadcasters will incur in acquiring digital broadcast equipment, management believes that the television broadcasting industry, which has historically been opposed to co-location and third party ownership of broadcast infrastructure, will seek to outsource tower ownership due to cost constraints. See "Industry Background".

The Company is in the process of forming a joint venture with TdF to pursue tall tower buildout and network ownership opportunities. This entity, which is expected to be approximately 70%-owned by the Company, will seek to capitalize on CFI's and TdF's experience in the broadcast transmission market. Management's objective is to become a leader in the buildout of the approximately 200 tall towers expected to be built in the United States over the next five years. Management believes that the Company's experience in providing digital transmission services in the United Kingdom will make the joint venture an attractive provider of broadcast services to the major networks and their affiliates. In addition, the joint venture will seek to partner with public broadcasting stations that own property zoned for tall towers, but that lack sufficient resources and expertise to build a tower. After reaching agreement with the public broadcasting station, the joint venture will attempt to co-locate on the tower the transmitters of major and medium-sized commercial broadcast television stations and high powered FM radio stations as well as wireless communications carriers.

Electronic news gathering ("ENG") systems benefit from the towers and services offered by the Company. The ENG 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. The Company has developed an ENG repeater system that can be used on many of its towers in western Pennsylvania and expects to develop similar systems in other markets in which it has or develops tower footprints. This system allows the ENG van to send a signal to one of the Company's local towers where the signal is retransmitted back to the television transmitter site. The retransmission of the signal from the Company's tower to the various television transmitter sites is done via a microwave link. The Company charges the station for the ENG receiver system at the top of its tower and also charges them for the microwave dish they place on its tower. The Company's ENG customers are affiliates of the NBC, ABC, CBS and Fox networks.

The Company also has 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. The Company has installed master FM and television systems on buildings across the country. It has supervised the construction and operation of the largest master FM antenna facility in the United States and has engineered and installed two 2,000 foot broadcast towers with master FM antennas. Management believes that this experience may help the Company negotiate favorable antenna site lease rates and construction contracts for both tower and rooftop sites, and to gain an expertise in the complex issues surrounding electronic compatibility and RF engineering.

Significant Contracts

The Company has many agreements with telecommunications providers in the United States, including leases, site management contracts and independent contractor agreements. The Company's reciprocal leasing arrangements with Bell Atlantic Mobile, its agreement with Nextel and the BellSouth Site Marketing Agreement present unique opportunities for CFI to (i) acquire clusters of towers in new markets, (ii) expand its existing tower footprints by constructing multiple tenant towers with long-term anchor tenants and (iii) increase utilization of existing towers and rooftop sites.

Bell Atlantic Mobile

On December 29, 1995, the Company and Bell Atlantic Mobile entered into two separate 25-year master lease agreements relating to their towers in the Pittsburgh MTA, one establishing certain terms and conditions of Bell Atlantic Mobile's tenancy on the Company's towers and the other establishing certain terms and conditions of the Company's sale of tenancy to other parties on towers controlled by Bell Atlantic Mobile. In addition to providing site rental revenue to the Company, the master leases allow each of the Company and Bell Atlantic Mobile to sublease space on each other's towers in return for a percentage of the rental revenue generated thereby.

Bell Atlantic Mobile's master lease of space on the Company's towers provides that Bell Atlantic Mobile's monthly site rental payments per tower depend on the size of the equipment installed on the tower, the size of the equipment building and the number of antennas. Rents are adjusted periodically based on the Consumer Price Index. The Company performs all work at Bell Atlantic Mobile's sites for tenants, including antennae installation, grounding and foundations. Both of these master lease agreements included rights of first refusal relating to certain spaces on towers leased by one of the parties for which the other party had received a bona fide offer to buy. In connection with the Crown Merger, the parties amended these master lease agreements to eliminate the rights of first refusal, and Bell Atlantic waived any such rights under these agreements that otherwise would have arisen in connection with the Crown Merger.

The Company also leases space on all of Bell Atlantic Mobile's towers in the Pittsburgh MTA (the "Bell Atlantic Agreement"). The terms and conditions of the Company's master lease of space on towers controlled by Bell Atlantic Mobile are substantially similar to Bell Atlantic Mobile's master lease with the Company. The Company may sublease space on a tower controlled by Bell Atlantic Mobile to another tenant, however, if the subtenant is to be AT&T, the Company must receive the written consent of Bell Atlantic Mobile. To date, the Company has 120 sublease contracts on Bell Atlantic Mobile-controlled towers.

Nextel Agreement

On July 11, 1997, in connection with Nextel's proposed merger with PCI, the Company and Nextel entered into the Nextel Agreement (the "Nextel Agreement"), which establishes the framework under which the Company and Nextel will conduct joint operations for the development of infrastructure within the Nextel markets described below. Under the first part of this agreement, the Company has purchased 46 existing towers from Nextel used in digital or analog transmission in the greater metropolitan areas of Denver and Philadelphia and in certain areas of the states of Texas and Florida, for a purchase price of approximately \$10.0 million.

In addition to the tower purchase, the Nextel Agreement provides that the Company has the exclusive right and option to (i) develop, construct, own and operate or (ii) purchase and operate, up to 250 new towers within selected metropolitan areas, including Dallas and Houston, and parts of the interstate highway corridors traversing the following states: Texas, Oklahoma, Louisiana, Arkansas, Mississippi, Alabama, Georgia, South Carolina, North Carolina, Tennessee, Kentucky, Virginia, Pennsylvania, New York, Ohio, Maryland and New Jersey. This option extends from July 1997 until a minimum of 250 potential sites have been tendered to the Company. At April 30, 1998, Nextel had tendered 137 sites to the Company, 76 of which met the Company's criteria for investing in towers and, therefore, were accepted by the Company. Of these 76 sites, 29 sites are in the permitting process, one site is under construction and 46 sites have been completed. Nextel will perform all site acquisition work, including entering into agreements with the fee owners of sites. If the Company waives its option to construct or purchase new towers for an identified site tendered to it by Nextel, Nextel may construct the tower itself or contract with a third party for the construction. If the Company exercises its option to construct and own a tower, it will reimburse Nextel for all costs of such site acquisition work. If Nextel constructs a tower and the Company elects to purchase the constructed tower, the Company will reimburse Nextel for all site acquisition and construction costs associated with such towers. Following the completion of construction of each tower, Nextel and the Company will, pursuant to Nextel's master lease agreement, enter into a five-year lease contract with four five-year renewal periods, at the option of Nextel. Nextel has a one-time right of first refusal for a five-year period to lease additional space within one designated 20-foot section of each tower.

If the Company elects to construct a new site, construction is to be completed within a 60-day construction period that will not begin prior to receipt of all regulatory permits and approvals (or a shorter period as mutually agreed). In the event that the Company fails to complete any site within the construction period, Nextel will be entitled to receive liquidated damages for each such failure. If the Company fails to commence or complete construction or to complete the installation of towers and related equipment within the construction period, Nextel may exercise its option to purchase such site at cost (after giving the Company an opportunity to cure). Nextel may terminate the Nextel Agreement if the Company fails to complete construction within the prescribed construction period or if Nextel exercises its purchase option following certain construction delays by the

Company for the greater of five towers or 5% of the aggregate number of total sites committed to within a rolling eight-month period. In addition, the Nextel Agreement provides that it may be terminated by Nextel upon the insolvency or liquidation of CCI and it may be terminated by the Company upon the insolvency or liquidation of Nextel. See "Risk Factors--Reliance on Nextel Agreement".

BellSouth Site Marketing Agreement

On June 25, 1998, CCI and BellSouth Mobility entered into a Site Marketing Agreement (the "BellSouth Site Marketing Agreement") pursuant to which CCI was designated as the exclusive marketing agent for BellSouth's tower sites in the State of Kentucky. CCI will facilitate the processing of site leases and customer equipment installation at BellSouth sites. By mutual agreement, CCI and BellSouth may extend the contract to cover other states. The contract has an initial term of 100 days. After expiration of the initial term, unless BellSouth and CCI shall have entered into an agreement to form a permanent entity for the ownership, utilization and management of BellSouth's tower sites, BellSouth may, at its election, either (i) extend the term of the contract for five years or (ii) grant CCI the right to purchase BellSouth's tower sites in Kentucky at their fair market value (but at not less than \$75.0 million). If the contract is not extended or CCI elects not to purchase such tower sites, the contract will expire pursuant to its terms.

Customers

In both its site rental and network services businesses, the Company works with a number of customers in a variety of businesses including PCS, ESMR, paging and broadcasting. The Company works with both large national carriers such as Sprint PCS, Nextel, AT&T/Cellular One, Omnipoint and BellSouth Mobility, and smaller local regional or private operators such as Aerial Communications and Crescent Communications. For the three months ended March 31, 1998, the Company's largest U.S. customers were Sprint PCS and Nextel, together representing 8.4% and 49.3%, respectively, of CCI's site rental revenue and 12.4% and 28.6%, respectively, of CCI's network services revenues. For the three months ended March 31, 1998, no customer accounted for more than 10.0% of CCI's revenues, other than Sprint PCS and Nextel, which accounted for approximately 10.7% and 37.4%, respectively, of CCI's consolidated revenues. Nextel revenues are expected to grow as CCI purchases Nextel towers and builds out Nextel interstate corridor sites. The following is a list of CCI's top ten site rental and network and other services customers, by percentage of revenues for the quarter ended March 31, 1998.

CCI'S TOP 10 SITE RENTAL AND NETWORK SERVICES CUSTOMERS

SITE RENTAL	REVENUES FOR THREE MONTHS ENDED MARCH 31, 1998	% OF CCI'S TOTAL SITE RENTAL REVENUES
Nextel.....	\$ 2,494,725	49.3%
Sprint PCS.....	423,881	8.4
PageNet.....	300,935	5.9
Aerial Communications.....	259,766	5.1
Motorola.....	170,928	3.4
Bell Atlantic Mobile.....	112,411	2.2
AT&T Wireless.....	99,409	2.0
Mobile Communications.....	99,239	2.0
American Paging.....	83,068	1.6
USA Mobile.....	64,401	1.3
Total.....	\$ 4,108,763	81.2%

NETWORK SERVICES & OTHER	REVENUES FOR THREE MONTHS ENDED MARCH 31, 1998	% OF CCI'S TOTAL NETWORK SERVICES & OTHER REVENUES
Nextel.....	\$ 1,936,620	28.6%
Sprint PCS.....	837,098	12.4
Omnipoint.....	739,988	10.9
Hawaiian Wireless.....	188,803	2.8
Aerial Communications.....	150,064	2.2
AT&T Wireless.....	127,530	1.9
US Cellular.....	85,558	1.3
GTE.....	73,100	1.1
BSI (Brazil).....	66,769	1.0
BellSouth.....	58,331	0.9
Total.....	\$ 4,263,861	62.9%

As of March 31, 1998, CCI had approximately 2,449 individual leases on its 530 tower and rooftop sites. The following is a list of some of CCI's leading site rental customers by industry segment and the percentage of CCI's March 1998 monthly site rental revenues derived from each industry segment:

CCI'S CUSTOMERS BY INDUSTRY

INDUSTRY	SELECTED CUSTOMERS	NUMBER OF TENANT LEASES	CCI'S MARCH 1998 MONTHLY REVENUES BY INDUSTRY	% OF CCI'S TOTAL MARCH 1998 SITE RENTAL REVENUES
Paging.....	AirTouch Cellular, American Paging, PageNet	784	\$ 350,397	24.5%
SMR/ESMR.....	Nextel, SMR Direct	306	338,594	23.7
PCS.....	Aerial Communications, Sprint PCS, Western Wireless	233	337,177	23.6
Cellular.....	AT&T Wireless, Bell Atlantic Mobile	155	127,985	9.0
Private Industrial Users..	IBM, Phillips Petroleum	529	92,186	6.5
Governmental Agencies....	FBI, INS, Puerto Rico Police	186	76,039	5.3
Broadcasting.....	Hearst Argyle Television, Trinity Broadcasting	87	44,574	3.1
Data.....	Ardis, RAM Mobile Data	103	30,714	2.1
Other.....	WinStar	46	20,323	1.4
Utilities.....	Equitable Resources, Nevada Power	20	10,787	0.8
Totals.....		2,449	\$1,428,776	100.0%

Sales and Marketing

CCI's sales and marketing personnel, located in Pittsburgh, Houston, Albuquerque, Atlanta, Philadelphia, Albany, San Juan, Puerto Rico and Sao Paulo, Brazil, target carriers expanding their networks, entering new markets, bringing new technologies to market and requiring maintenance or add-on business. All types of wireless service providers are targeted including broadcast, cellular, paging, PCS, microwave and two-way radio. CCI is 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. CCI's objective is to pre-sell capacity on CCI's towers by promoting sites prior to construction. Rental space on existing towers is also aggressively marketed and sold.

CCI utilizes numerous public and proprietary databases to develop detailed target marketing programs directed at auction block license awardees, existing tenants and specific market groups. Mailings focus on regional buildouts, new sites and services. The use of databases, such as those with information on sites, demographic data, licenses and deployment status, coupled with measured coverage data and RF coverage prediction software, allows CCI's sales and marketing personnel to target specific carriers' needs for specific sites. To foster productive relationships with its major existing tenants and potential tenants, CCI has formed a team of account relationship managers. These managers work to develop build-to-suit, 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 CCI's visibility within the wireless communications industry through regular advertising and public relations efforts including actively participating in trade shows and generating regular press releases, newsletters and targeted mailings (including promotional flyers). CCI's promotional activities range from advertisements and site listings in industry publications to maintaining a presence at national trade shows. Potential clients are referred to CCI's Web site, which contains Company information as well as site listings. In addition, CCI's 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 CCI via e-mail through the Web site or Cell Site Express. CCI's network services capabilities are marketed in conjunction with its tower footprints.

To follow up on targeted mailings and to cold-call on potential clients, CCI has 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, the Company competes with other independent tower owners, some of which also provide site rental and network services; wireless communications 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 communications carriers that own and operate their own tower networks generally are substantially larger and have greater financial resources than the Company. The Company believes 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. The Company also competes for acquisition and new tower construction opportunities with wireless communications carriers, site developers and other independent tower operating companies and believes 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 the Company.

The following is a list of certain of the tower companies that compete with the Company in the United States: American Tower Corporation, Lodestar Communications, Motorola, Specialty Teleconstructors, Pinnacle Tower, SBA Communications, TeleCom Towers (an affiliate of Cox Communications), Unisite and SpectraSite.

The following companies are primarily competitors for the Company's rooftop site management activities in the United States: AAT, APEX, Commsite International, JJS Leasing, Inc., Motorola, Signal One, Subcarrier Communications, Tower Resources Management and Unisite.

The Company believes that the majority of its 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 Corporation). The Company offers its services nationwide and the Company believes it is 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. The Company believes 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. The Company believes that it competes favorably in these areas.

U.K. OPERATIONS

The Company, through its 80% interest in CTI, owns and operates one of the world's most established television and radio transmission networks and is expanding its leasing of antenna space on its towers to a variety of wireless communications carriers. The Company provides transmission services for two BBC 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 its 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 are Company-owned (or leased or licensed to it by third parties) and the balance of which are licensed to the Company under a site-sharing agreement (the "Site-Sharing Agreement") with NTL, the Company's principal competitor in the United Kingdom. The Company has also secured long-term contracts to provide digital television transmission services to the BBC and BDB. See "--Significant Contracts". In addition to providing transmission services, the Company also leases antenna space on its transmission infrastructure to various communications service providers and provides telecommunications network installation and maintenance services and engineering consulting services.

The Company's core revenue generating activity in the United Kingdom is the analog terrestrial transmission of radio and television programs broadcast by the BBC. CTI's business, which was formerly owned by the BBC, was privatized under the Broadcasting Act 1996 and sold to CTI in February 1997. At the time the BBC Home Service Transmission Business was acquired, CTI 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. In the twelve months ended March 31, 1998, approximately 63% of CTI's consolidated revenues were derived from the provision of services to the BBC.

Communication Site Footprints

At April 30, 1998, the Company owned, leased or licensed 747 transmission sites on which it operated 752 towers, was constructing three new towers on existing sites and had 29 site acquisition projects in process for new tower sites. The Company has 54 revenue producing rooftop sites that are occupied by the Company's transmitters but are not available for leasing to customers. The Company's sites are located throughout England, Wales, Scotland and Northern Ireland. The following table indicates, as of April 30, 1998, the type and geographic concentration of the Company's U.K. towers and rooftop sites.

	NUMBER	% OF TOTAL
	-----	-----
Towers:		
England.....	442	54.8%
Wales.....	127	15.8
Scotland.....	138	17.1
Northern Ireland.....	45	5.6
	---	----
	752	93.3
Rooftops.....	54	6.7
	---	----
Total.....	806	100.0%
	===	=====

The Company expects to significantly expand its existing tower footprints in the United Kingdom by building and acquiring additional towers. The Company believes its 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 PCN) as compared to broadcast signals, wireless communications providers require a denser footprint of towers to cover a given area. Therefore, in order to increase the attractiveness of its tower footprints to wireless communications providers, the Company will seek to build or acquire new communications towers. Using its team of over 300 engineers with state-of-the-art network design and radio frequency engineering expertise, the Company locates sites and designs towers that will be attractive to multiple tenants. The Company seeks to leverage such expertise by entering into build-to-suit contracts with various carriers, such as BT, Cable & Wireless Communications, Cellnet, Dolphin, Energis, Highway One, Ionica, One2One, Orange and Scottish Telecom, thereby securing an anchor tenant for a site before incurring capital expenditures for the site buildout. As of April 30, 1998, the Company was building three towers that it will own. In addition, the Company expects to make strategic acquisitions of existing communications sites (primarily those owned by wireless communications operators) in order to expand its infrastructure and to further leverage its site management experience.

The Company believes that it generally has significant capacity on its towers in the United Kingdom. Although approximately 160 of its towers are poles with limited capacity, the Company typically will be able to build new towers that will support multiple tenants on these sites (subject to the applicable planning process). The Company intends to upgrade these limited capacity sites where it believes it can achieve appropriate returns to merit the necessary capital expenditure. For example, in connection with a contract with Vodafone, the Company is upgrading 65 of these sites with limited capacity. See "--Significant Contracts--Vodafone". Approximately 59 of the Company's sites are used for Medium Frequency ("MF") 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, MF sites generally have substantial ground area available for the construction of new multiple tenant towers.

Products and Services

Transmission Business

Analog. For the three months ended March 31, 1998, CTI generated approximately 58% of its revenues from the provision of analog broadcast transmission services to the BBC. Pursuant to the BBC Analog Transmission Contract, the Company provides 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 twelve months ended March 31, 1998, the BBC Analog Transmission Contract generated revenues of approximately (Pounds)46.0 million (\$77.1 million) for the Company.

In addition to the BBC Analog Transmission Contract, the Company has separate contracts to provide maintenance and transmission services for two national radio stations, Virgin Radio and Talk Radio. These contracts are for periods of eight years commencing from, respectively, March 31, 1993 and February 4, 1995.

The Company owns all of the transmission equipment used for broadcasting the BBC's domestic radio and television programs, whether located on one of CTI's sites or on an NTL or other third-party site. As of April 30, 1998, CTI had 3,462 transmitters, of which 2,195 were for television broadcasting and 1,267 were for radio. These transmitters could be analyzed by transmission frequency band as follows:

TRANSMITTER FREQUENCY BAND	NUMBER
UHF television.....	2,195
VHF/FM national radio.....	854
VHF/FM local and regional radio.....	232
MW/LW national and commercial radio*.....	89
MW local radio.....	51
MW regional radio.....	14
DAB.....	27
Total.....	3,462

* Includes eleven transmitters owned by Virgin Radio and Talk Radio but operated and maintained by CTI.

A few of the Company's most powerful 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 the Company's analog television transmitters:

NUMBER OF SITES (RANKED BY COVERAGE)	COMBINED POPULATION COVERAGE
1 (Crystal Palace).....	21%
top 16.....	79
top 26.....	86
top 51.....	92
all.....	99.4

All of the Company's 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 CTI's Technical Operations Centre at Warwick. The Site-Sharing Agreement provides the Company with reciprocal access rights to NTL's broadcast transmission sites on which the Company has equipment.

Certain of the Company's 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. The Company has entered into 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 DTT, new transmission infrastructure will be required. The Company is committed to invest approximately (Pounds)110.0 million (\$184.4 million) for the buildout of new infrastructure to support DTT over the next two years. By the year 2000, 81 transmission sites will need to be upgraded with new transmitters and associated systems to support DTT. Of these sites, 49 are owned by the Company with the remainder owned by NTL. Currently, 24 sites are being upgraded. An arrangement similar to that of the Site-Sharing Agreement is being negotiated to govern the sharing of digital transmission sites between the Company and NTL.

CTI's capital costs are expected to be incurred in connection with the acquisition and development of new transmission equipment.

The Company currently is the sole provider of transmission services for digital radio broadcasts in the United Kingdom. In September 1995, the BBC launched its initial DAB scheme over the Company's transmission network, and this service is now broadcast to approximately 60% of the U.K. population. A new independent national digital radio license is scheduled to be awarded in 1998. The Company's existing infrastructure and its experience with the BBC's DAB network position it well to compete to provide transmission services to the winner of this new radio license. In addition, local digital radio licenses will be allocated in late 1998 or early 1999. The Company believes it is similarly well situated to become the transmission service provider to the winners of such licenses.

Site Rental

The BBC transmission network provides a valuable initial footprint for the creation of wireless communications networks. Currently, approximately 200 companies rent antenna space on approximately 405 of CTI's 806 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. The Company's largest site rental customer in the United Kingdom is NTL under the Site-Sharing Agreement. This agreement generated (Pounds)551,000 (\$923,752) of site rental revenue in March 1998.

The Company also provides a range of site maintenance services in order to support and enhance its U.K. site rental business. The Company believes that by offering services such as antenna, base station and tower maintenance and monitoring, it is able to offer quality services to retain its existing customers and attract future customers to its communications sites. The Company complements its U.K. transmission experience with its site management experience in the United States to provide customers with a top-of-the-line package of service and technical support.

The following table describes the Company's top ten revenue producing towers in the United Kingdom:

NAME	LOCATION	HEIGHT (FT)	NUMBER OF TENANT LEASES	CTI'S	
				MARCH 1998 MONTHLY REVENUE	MARCH 1998 MONTHLY REVENUE
Brookmans Park.....	S. E. England	147	10	(Pounds) 16,445	\$ 27,570
Bow Brickhill.....	S. E. England	197	12	15,885	26,631
Mendip.....	S. W. England	924	17	15,105	25,324
Crystal Palace.....	London	653	14	12,545	21,032
Hannington.....	S. England	440	11	11,500	19,280
Heathfield.....	S. England	443	16	10,154	17,023
Wrotham.....	S. England	379	12	10,100	16,933
Waltham.....	C. England	954	8	9,971	16,716
Redruth.....	S. W. England	500	14	9,818	16,460
Oxford.....	C. England	507	14	9,740	16,329
Total.....			128	(Pounds)121,263	\$203,298
			===	=====	=====

Other than NTL, CTI's largest (by revenue) site rental customers consist mainly of wireless communications carriers such as Cellnet, One2One, Orange and Vodafone. Revenues from these non-BBC sources are expected to become an increasing portion of CTI'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. The Company believes 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.

The Company has master lease agreements with all of the major U.K. telecommunications site users including BT, Cable & Wireless Communications, Cellnet, Dolphin, Energis, Highway One, Ionica, One2One, Orange, Scottish Telecom and Vodafone. These agreements typically specify the terms and conditions (including pricing and volume discount plans) under which these customers have access to all sites within the Company's U.K. portfolio. Customers make orders for specific sites using the standard terms included in the master lease agreements. There are currently approximately 250 applications in process for installations at existing sites under such agreements.

Network Services

CTI provides broadcast and telecommunications engineering services to various customers in the United Kingdom. All the BBC Home Service Transmission Business employees were retained by the Company upon CTI's acquisition. Accordingly, the Company has engineering and technical staff of the caliber and experience necessary not only to meet the requirements of its current customer base, but also to meet the challenges of developing digital technology. Within the United Kingdom, CTI has worked with several telecommunications operations on design and build projects as they roll-out their networks. CTI has had success in bidding for broadcast consulting contracts, including, over the last three years, in Thailand, Taiwan, Poland and Sri Lanka.

With the expertise of its engineers and technical staff, the Company is a turn-key provider to the wireless communications and broadcast industries. The Company can provide customers with a 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 antenna installation.

Network Design and Site Selection. The Company has extensive experience in network design and engineering and site selection. While the Company maintains sophisticated network design services primarily to support the location and construction of Company-owned multiple tenant towers, the Company does from time to time provide network design and site selection services to carriers and other customers on a consulting contract basis. The Company's network design and site selection services provide 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.

Site Acquisition. In the United Kingdom, the Company is involved in site acquisition services for its own purposes and for third parties. The Company recognizes that the site acquisition phase often carries the highest risk for a project. To ensure the greatest possible likelihood of success and timely acquisition, the Company combines a desktop survey of potential barriers to development with a physical site search that includes initial design analyses, CDM assessments and, where necessary, line-of-sight surveys. The Company leverages off its experience in site acquisition and co-location when meeting with local planning authorities.

Site Development and Antenna Installation. The Company uses a combination of external and internal resources for site construction. The Company's engineers are experienced in both construction techniques and construction management, ensuring an efficient and simple construction phase. Selected civil contractors are managed by CTI staff for the ground works phase. Specialist erection companies, with whom the Company has a long association, are used for tower installation. Final antenna installation is undertaken by the Company's own experienced teams.

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

Significant Contracts

CTI's principal analog broadcast transmission contract is the BBC Analog Transmission Contract. CTI also has entered into two digital television transmission contracts, the BBC Digital Transmission Contract and the BDB Digital Transmission Contract (as defined). CTI also provides facilities to NTL (in its capacity as a broadcast transmission provider to non-CTI customers) under the Site-Sharing Agreement. The Company also has long-term service agreements with broadcast customers such as Virgin Radio and Talk Radio. In addition, CTI has several agreements with telecommunications providers, including leases, site management contracts and independent contractor agreements. The Company has entered into contracts to design and build communications equipment and related infrastructure for customers such as Cellnet, One2One, Orange, Scottish Telecom and Vodafone.

BBC Analog Transmission Contract

CTI 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, which contract was subsequently amended on July 16, 1998 (the "BBC Analog Transmission Contract"). The BBC Analog Transmission Contract provides for charges of approximately (Pounds)46.5 million (\$78.0 million) to be payable by the BBC to CTI for the year ended March 31, 1998 and each year thereafter to 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 (\$502,950) 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 (\$838,250) annually to the payments made by the BBC to the Company.

The BBC Analog Transmission Contract also provides for CTI 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. The Company believes that CTI 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 two formal six-month performance reviews, CTI 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 (i) by mutual agreement between CTI and the BBC, (ii) by one party upon the bankruptcy or insolvency of the other party within the meaning of section 123 of the Insolvency Act 1986, (iii) 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), (iv) by the non-defaulting party upon a material breach by the other party and (v) 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 ("TdF Parent"), and the BBC entered into the BBC Commitment Agreement (the "BBC Commitment Agreement"), whereby the Company and TdF agreed (i) not to dispose of any shares in CTSH or any interest in such shares (or enter into any agreement to do so) until February 28, 2000; and (ii) to maintain various minimum indirect ownership interests in CTI and CTSH for periods ranging from three to five years commencing February 28, 1997. These provisions restrict the ability of CCIC and TdF to sell, transfer or otherwise dispose of their respective CTSH shares (and, indirectly, their CTI 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. The BBC has consented to waive the above restrictions both (i) to enable the Company and TdF to enter into the Governance Agreement and the CTSH Shareholders' Agreement and (ii) to allow the exercise of rights under such agreements.

The BBC Commitment Agreement also required TdF Parent and the Company to enter into services agreements with CTI. The services agreement entered into by the Company and CTI is being terminated pursuant to the CTSH Shareholders' Agreement. The services agreement entered into by TdF Parent and CTI (pursuant to which TdF makes available certain technical consultants, executives and engineers to CTI for a minimum term of three years commencing February 28, 1997) is being amended. Upon consummation of the Offering, the term of such services agreement is expected to be extended for four additional years (to February 28, 2004) and thereafter will be terminable on 12-month's prior notice given by CTI to TdF after February 28, 2003. See "The Roll-Up--Roll-Up Agreements--CTI Services Agreement".

BDB Digital Transmission Contract

In 1997, the Independent Television Commission awarded BDB three of the five available commercial digital terrestrial television multiplexes for new program services. The Company bid for and won the 12 year contract from BDB to build and operate its digital television transmission network (the "BDB Digital Transmission Contract"). The contract provides for approximately (Pounds)20.0 million (\$33.5 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, the Company bid for and won the 12 year contract from the BBC to build and operate its digital terrestrial television transmission network (the "BBC Digital Transmission Contract"). This contract provides for approximately (Pounds)10.5 million (\$17.6 million) of revenue per year (assuming the BBC commits to the full DTT roll-out contemplated by the BBC Digital Transmission Contract) 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 the Company's 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 DTT in the United Kingdom does not have sufficient viewership to justify continued DTT broadcasts. Under this provision, the BBC will pay the Company a termination fee in cash that substantially recovers the Company's 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 (as defined in the BBC Digital Transmission Contract).

BT Digital Distribution Contract

Under the BBC Digital Transmission Contract and the BDB Digital Transmission Contract, in addition to providing digital terrestrial transmission services, CTI has agreed to provide for the distribution of the BBC's and BDB's broadcast signals from their respective television studios to CTI's transmission network. Consequently, in May 1998, CTI entered into a distribution contract (the "BT Digital Distribution Contract") with British Telecommunications plc ("BT"), which will expire 12 years after the date on which the Company commences digital terrestrial television transmission services in the United Kingdom (with provisions for extending the term), in which BT 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 CTI, 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.

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 (i) 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, (ii) on the bankruptcy or insolvency of either party and (iii) if either party ceases to carry on a broadcast transmission business or function.

Negotiations are in progress between the Company and NTL to amend the Site-Sharing Agreement to account for the build-out of digital transmission sites and equipment, a new rate card related to site sharing fees for new digital facilities and revised operating and maintenance procedures related to digital equipment.

Vodafone

On April 16, 1998, under Vodafone's master lease agreement with the Company, Vodafone agreed to locate antennas on 122 of the Company's existing communication sites in the United Kingdom. Approximately 20 sites are expected to be completed by the end of July 1998. Another 17 sites will require the acquisition of additional land or significant tower upgrade and are expected to take six to nine months to complete. Finally, 65 of the sites presently are composed of a limited capacity tower. Such sites will require the construction of new towers, which will require full planning and zoning approvals. These sites are expected to require six to 12 months to complete. After their upgrade, these sites will be able to accommodate additional tenants.

Customers

For the three months ended March 31, 1998, the BBC accounted for approximately 59% of CTI's revenues. This percentage has decreased from 63% in 1997 and is expected to continue to decline as CTI continues to expand its site rental business and as DTT begins to be transmitted. CTI provides all four U.K. PCN/cellular operators (Cellnet, One2One, Orange and Vodafone) with infrastructure services and also provides fixed telecommunications operators, such as BT, Cable & Wireless Communications, Energis, Scottish Telecom and Ionica, with microwave links and backhaul infrastructure. The following is a list of CTI's four broadcast service customers and top ten site rental customers by percentage of revenues for the quarter ended March 31, 1998:

BROADCAST SERVICES	CTI'S REVENUES FOR THREE MONTHS ENDED MARCH 31, 1998	CTI'S REVENUES FOR THREE MONTHS ENDED MARCH 31, 1998	% OF CTI'S TOTAL BROADCAST SERVICES REVENUES
BBC.....	(Pounds)12,813,000	\$21,480,995	91.0%
British Digital Broadcasting.....	832,000	1,394,848	5.9
Commercial radio services.....	441,000	739,337	3.1
Total.....	(Pounds)14,086,000	\$23,615,180	100.0%

SITE RENTAL	CTI'S REVENUES FOR THREE MONTHS ENDED MARCH 31, 1998	CTI'S REVENUES FOR THREE MONTHS ENDED MARCH 31, 1998	% OF CTI'S TOTAL SITE RENTAL REVENUES
NTL.....	(Pounds) 1,834,000	\$3,074,701	39.6%
Cellnet.....	538,000	901,957	11.6
Vodafone.....	418,000	700,777	9.0
Orange.....	387,000	648,806	8.4
One2One.....	329,000	551,569	7.1
BBC (non-broadcast).....	160,000	268,240	3.5
BT plc.....	138,000	231,357	3.0
Cable & Wireless Communications.....	114,000	191,121	2.5
Aerial Sites.....	77,000	129,091	1.7
BT Mobile Communications.....	58,000	97,237	1.3
Total.....	(Pounds) 4,053,000	\$6,794,856	87.5%

The following is a list of some of CTI's leading site rental customers by industry segment and the percentage of CTI's March 1998 monthly site rental revenues derived from each industry segment.

INDUSTRY	SELECTED CUSTOMERS	NUMBER OF TENANT LEASES	CTI'S MARCH MONTHLY REVENUES BY INDUSTRY	CTI'S MARCH MONTHLY REVENUES BY INDUSTRY	% OF CTI'S TOTAL MARCH SITE RENTAL REVENUES
Paging.....	Page One, Hutchinson	180	(Pounds) 63,000	\$105,620	3.7%
Public Telecommunications..	BT, Cable & Wireless Communications	270	144,000	241,416	8.4
PCN.....	Orange, One2One	311	257,000	430,861	15.1
Cellular.....	Cellnet, Vodafone	357	342,000	573,363	20.0
PMR/TETRA.....	National Band 3, Dolphin	76	35,000	58,678	2.1
Governmental Agencies.....	Ministry of Defense	45	22,000	36,883	1.3
Broadcasting.....	XFM, BBC, NTL	133	708,000	1,186,962	41.5
Data.....	RAM Mobile Data, Cognito	54	18,000	30,177	1.0
Other.....	Aerial Sites, Health Authorities	253	99,000	165,974	5.9
Utilities.....	Welsh Water, Southern Electric	56	18,000	30,177	1.0
Totals.....		1,735	(Pounds)1,706,000	\$2,860,111	100.0%

Sales and Marketing

The Company has 22 sales and marketing personnel in the United Kingdom who identify new revenue-generating opportunities, develop and maintain key account relationships, and tailor service offering 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. The Company has begun to actively cross-sell its products and services so that, for example, site rental customers are also offered build-to-suit services. In addition, the Company recently hired a new Sales & Marketing Director with 10 years of experience in the U.K. and U.S. wireless telecommunications industries.

Competition

NTL, the privatized engineering division of the IBA and now a subsidiary of NTL Inc. (formerly International CableTel Inc.), is CTI'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. It also has been awarded the transmission contract for the new DTT multiplex service from Digital 3 & 4 Limited, and is expected to be awarded a similar contract for the DTT service for SDN (CTI has been awarded similar contracts for the BBC and BDB--serving a total of four multiplexes compared with NTL's two). Since its creation in 1991, NTL has diversified from its core television broadcasting business using its transmission infrastructure to enter into the radio transmission and telecommunications sectors.

Although CTI 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 CTI, NTL offers a full range of site-related services to its customers, including installation and maintenance. CTI 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. CTI also believes that its penetration of this market has to date lagged behind NTL only because of the governmental restrictions on the commercial activities of CTI's business prior to its privatization.

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. BT and Cable & Wireless Communications are both major site sharing customers but also compete by leasing their own sites to third-parties. BT'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, Simoco, 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.

CTI 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.

PROPERTIES

In the United States, the Company's interests in its tower sites are comprised of a variety of fee interests, leasehold interests 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 than 3,000 square feet

are required for a self-supporting tower structure of the kind typically used in metropolitan areas. The Company's 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 the Company allows the landlord to use tower space in lieu of paying all or part of the land rent. As of April 30, 1998, the Company had approximately 466 land leases. Pursuant to the Senior Credit Facility, the Company's senior lenders have liens on a substantial number of the Company's 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.

LEGAL PROCEEDINGS

The Company is 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 the Company's financial condition or results of operations.

EMPLOYEES

At April 30, 1998, the Company employed 709 people worldwide. Other than in the United Kingdom, the Company is not a party to any collective bargaining agreements. In the United Kingdom, the Company is 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 CTI's non-management staff. The Company has not experienced any strikes or work stoppages, and management believes that the Company's employee relations are good.

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 no-hazard determination 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 has been registered with the FCC or a determination has been made that such registration is not 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 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 preempted certain state and local zoning authorities' jurisdiction over the construction, modification and placement of towers. The new law prohibits any action that would (i) discriminate between different providers of personal wireless services or (ii) ban altogether the construction, modification or placement of radio communications towers. 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. The Company, through certain of its subsidiaries, holds licenses for radio transmission facilities granted by the FCC, including licenses for common carrier microwave and paging services and commercial mobile radio services ("CMRS"), which are subject to additional regulation by the FCC. The Company is required to obtain the FCC's approval prior to the transfer of control of any of its FCC licenses. Consummation of the Offering and the Roll-Up may result in a transfer of control of the Company under the FCC's rules and policies if, after such transactions, over 50% of the voting stock of the Company would be owned by new stockholders. As a precautionary measure, the Company has therefore applied to the FCC for consent to transfer of control of the Company to the post-Roll-Up and Offering stockholders to the extent such transactions would require prior FCC approval. Because it is unlikely that the FCC will act on these applications prior to the consummation of the Offering and the Roll-Up, the Company has requested special temporary authorizations from the FCC to transfer control of its FCC licenses to the post-Roll-Up and Offering stockholders, to the extent required under the FCC's rules and policies, pending the FCC's action on the applications. The FCC has granted such special temporary authorizations to the Company for its common carrier microwave, SMR and private business radio licenses, but has not yet acted on the requests relating to the Company's paging authorizations.

The Company, as the parent company of the licensees of common carrier and CMRS facilities, is also subject to Section 310(b)(4) of the Communications Act of 1934, as amended, which would limit the Company 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 ("WTO Agreement"), 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. Upon consummation of the Offering and the Roll-Up, the Company will be over 25% foreign owned by companies headquartered in France, the United Kingdom and New Zealand. See "Principal and Selling Stockholders". Each of these nations is a signatory to the WTO Agreement. The Company has petitioned the FCC for approval of up to 49.9% foreign ownership, at least 25% of which will be from WTO-member nations. The Company anticipates that the FCC will rule favorably upon its request.

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. CTI 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. CTI's operations are subject to comprehensive regulation under the laws of the United Kingdom.

CTI has the following three licenses under the Telecommunications Act 1984:

Transmission License. The Transmission License is a license to run telecommunications systems for the transmission via wireless telegraphy of broadcasting services. This license is for a period of at least twenty-five years from January 23, 1997, and is CTI's principal license. Its main provisions include:

(i) a price control condition covering the provision of all analog radio and television transmission services to the BBC under the BBC Analog Transmission Agreement (for an initial price of approximately (Pounds)44 million for regulated elements of the services provided by CTI under the BBC Analog Transmission Agreement in the year ended March 31, 1997, subject to 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;

(ii) a change of control provision which requires notification of acquisitions of interest in CTI 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;

(iii) a site sharing requirement requiring CTI 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;

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

(v) a prohibition on undue preference or discrimination in the provision of the services it is required to provide third parties under the Transmission License.

OFTEL is in the process of assessing 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 is currently taking the position 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 CTI's Transmission License, although as of June 15, 1998, it had not yet issued a final decision to this effect. This procedure could result in an amendment to the Site-Sharing Agreement and could in turn lead to a diminution of CTI's income of approximately (Pounds)300,000 per annum (equivalent to approximately 0.4% of revenues and 1.0% of EBITDA for the fiscal year ended March 31, 1997).

CTI is discussing with OFTEL certain amendments to CTI's Telecommunications Act Transmission License to ensure that the price control condition accommodates the provision by CTI of additional contractually agreed upon services to the BBC in return for additional agreed upon payments. See "Risk Factors--Regulatory Compliance and Approval".

The Secretary of State has designated the Transmission License a public telecommunications operator ("PTO") license in order to reserve to himself certain emergency powers for the protection of national security. The PTO designation is, however, limited to this objective. CTI does not have a full domestic PTO 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 CTI such a license. As a result CTI would gain wider powers to provide services to third parties including public switched voice telephony and satellite uplink and would grant CTI 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 CTI 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 PTO 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

CTI has three 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:

(i) a Broadcasting Services License in relation to the transmission services provided to the BBC, Virgin Radio and Talk Radio;

(ii) a Fixed Point-to-Point Radio Links License; and

(iii) two DAB 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 is obligated under the BBC Analog Transmission Contract and the BBC Digital Transmission Contract to pay most of those fees.

ENVIRONMENTAL MATTERS

The Company's 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 ("Environmental Laws"). As an owner and operator of real property, the Company is 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. The Company is potentially subject to cleanup liabilities in both the United States and the United Kingdom.

The Company also is subject to regulations and guidelines that impose a variety of operational requirements relating to RF emissions. The potential connection between RF 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 the Company has not been subject to any claims relating to RF emissions, it has established operating procedures designed to reduce employee exposures to RF emissions and is presently evaluating certain of its towers and transmission equipment in the United States and the United Kingdom to determine whether RF emission reductions are possible.

In addition, the Company is 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 ("NEPA"), which requires federal agencies to evaluate the environmental impacts of their decisions under certain circumstances. The FCC regulations implementing NEPA 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.

The Company believes that it is 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 the Company's business, results of operations, or financial condition.

GENERAL

On April 24, 1998, the Company entered into a Share Exchange Agreement pursuant to which, concurrently with the consummation of the Offering, (i) all shareholders of CTSH (other than the Company, TdF and DFI) will exchange their shares of capital stock of CTSH for shares of Common Stock of the Company and (ii) DFI will exchange its shares of capital stock of CTSH for shares of Class A Common Stock of the Company. In connection with such exchanges, the Company will exercise warrants to acquire additional shares of capital stock of CTSH and subscribe for additional shares of capital stock of CTSH. Such transactions are collectively referred to herein as the "Exchange". Upon consummation of the Exchange, the Company will own 80.0% of CTSH and TdF will own the remaining 20.0%. Immediately prior to the Exchange, (i) each share of the Company's Existing Class A Common Stock will be converted into 1.523148 shares of Common Stock, (ii) each share of the Company's Existing Class B Common Stock will be reclassified as one share of Common Stock and (iii) each share of the Company's Existing Preferred Stock will be converted into one share of Common Stock.

Upon the consummation of the Offering, after giving effect to the Roll-Up: (i) DFI will own all of the outstanding Class A Common Stock (which is convertible into shares of Common Stock and represents a 10.4% beneficial ownership interest in the Company's Common Stock) and DFI and TdF together will beneficially own 25.0% of the Company's Common Stock (which gives effect to TdF (i) exchanging its shares of, and warrants for, capital stock of CTSH for shares of, and warrants for, Class A Common Stock, (ii) exercising such warrants and (iii) converting such shares of Class A Common Stock into, and DFI converting its shares of Class A Common Stock into, shares of Common Stock (the "TdF Conversions")); (ii) the Candover Group will beneficially own 11.6% of the Company's Common Stock; (iii) the Berkshire Group will beneficially own 21.2% of the Company's Common Stock; (iv) the Centennial Group will beneficially own 10.0% of the Company's Common Stock; (v) the Crown Parties will beneficially own 3.8% of the Company's Common Stock; and (vi) executive officers of the Company (excluding Mr. Crown) will beneficially own 6.1% of the Company's Common Stock. See "Principal and Selling Stockholders".

Following the Roll-Up, TdF will have certain significant governance and other rights with respect to the Company and the CTI business. Subject to certain conditions, TdF's consent will be required for the Company or CTI to undertake certain actions, including making certain acquisitions or dispositions, entering into strategic alliances with certain parties and engaging in certain business combinations. See "Risk Factors--Risks Related to Agreements with TdF" and "--Roll-Up Agreements".

In addition, subject to certain conditions, (i) during the two-year period following consummation of the Offering, TdF will have the right to exchange its shares of capital stock of CTSH for shares of Class A Common Stock of the Company at the Exchange Ratio and (ii) on the second anniversary of the consummation of the Offering, the Company will have the right to require TdF to exchange its shares of capital stock of CTSH for shares of Class A Common Stock of the Company at the Exchange Ratio; provided, however, that in each case TdF will retain its governance rights with respect to CTI until its ownership interest in the Company falls below 5%. See "Risk Factors--Risks Related to Agreements with TdF", "--Roll-Up Agreements" and "Description of Capital Stock".

ROLL-UP AGREEMENTS

The following descriptions of the Share Exchange Agreement, the Governance Agreement, the Stockholders Agreement, the CTSH Shareholders Agreement and the CTI Operating Agreement (each defined below), which are related to the Roll-Up and to which the Company is a party, are qualified in their entirety by reference to the complete texts of the agreements, each of which has been filed as an exhibit to the registration statement of which this Prospectus forms a part. Certain capitalized terms used but not defined below have the meanings assigned to such terms under "--Certain Definitions" below.

Share Exchange Agreement

On April 24, 1998, the Company entered into a Share Exchange Agreement (the "Share Exchange Agreement") with CTSH, TdF, DFI and certain shareholders of CTSH (the "CTSH Shareholders") in order to effect the exchange of certain CTSH ordinary shares, nominal value 1 pence ("CTSH Ordinary Shares"), and CTSH preference shares, nominal value 1 pence each ("CTSH Preference Shares" and, together with the CTSH Ordinary Shares, the "CTSH Shares"), held by DFI and the CTSH Shareholders for shares of Class A Common Stock of the Company, in the case of DFI, and shares of Common Stock of the Company, in the case of the CTSH Shareholders. DFI will exchange 1,620,000,000 CTSH Shares for 11,340,000 shares of Class A Common Stock of the Company and the remaining CTSH Shareholders will exchange, in the aggregate, 2,981,100,000 CTSH Shares for 20,867,700 shares of Common Stock of the Company. The exchange ratio, in the case of each CTSH Shareholder, was 7.0 shares of Common Stock and, in the case of DFI, was 7.0 shares of Class A Common Stock, in each case for one CTSH Ordinary Share together with 999 CTSH Preference Shares. In connection with such exchanges, the Company will exercise warrants for 515,000,000 CTSH Shares at 1 pence per share and subscribe for 10,210,000 CTSH Shares at 2.5 pence per share. Following consummation of the Exchange, the Company and TdF will remain as the only two shareholders of CTSH with the Company and TdF holding 80% and 20%, respectively, of the outstanding capital stock of CTSH.

Governance Agreement

Concurrently with the consummation of the Offering, the Company, TdF and DFI will enter into the Governance Agreement (the "Governance Agreement") to provide for certain rights and obligations of the Company, TdF and DFI with respect to the governance of the Company following the consummation of the Roll-up.

Governance

Subject to certain limitations and conditions described below, super-majority voting requirements or veto rights of TdF may apply in connection with certain actions proposed to be undertaken by the Company as described below.

Super-Majority Voting Requirements. Subject to certain limitations and the termination of such super-majority voting requirements as described in "-- Governance Limitations" below, as long as TdF is Qualified, a Special Majority Vote of the Board is required for the Company or any subsidiary of the Company to take any of the following actions:

(i) the amendment of the Certificate of Incorporation or By-laws;

(ii) any acquisition of any assets, business, operations or securities (other than with respect to any redemption of the Senior Convertible Preferred Stock in accordance with its terms) by the Company or any subsidiary thereof by merger, joint venture or otherwise (whether in one transaction or a series of related transactions) other than any such acquisition by the Company or any of its subsidiaries if the Company's and/or any such subsidiary's pro rata Total Enterprise Value in respect of such acquisition, prior to giving effect thereto, is less than or equal to the greater of \$20.0 million and 2% of the Total Enterprise Value of the Company and its subsidiaries taken as a whole;

(iii) any disposition (other than with respect to asset swaps) of any assets, business, operations or securities by the Company or any subsidiary thereof (whether in one transaction or a series of related transactions) other than a disposition by the Company or any of its subsidiaries where the Company's and/or any such subsidiary's pro rata Total Enterprise Value in the consideration received in respect of such disposition, prior to giving effect thereto, is less than or equal to the greater of \$20.0 million and 2% of the Total Enterprise Value of the Company and its subsidiaries taken as a whole;

(iv) any Strategic Alliance which is material to the Company and its subsidiaries, taken as a whole;

(v) any incurrence, assumption or issuance by the Company or any of its subsidiaries of Indebtedness other than (A) Indebtedness existing on the date of the consummation of the Offering and any Permitted

Indebtedness (including in each case any refinancings which do not increase the principal amount thereof), (B) any other Indebtedness if the Company's Debt to Adjusted Consolidated Cash Flow Ratio at the time of incurrence of such Indebtedness, after giving pro forma effect to such incurrence or issuance as of such date and to the use of proceeds therefrom as if the same had occurred at the beginning of the most recently ended four full fiscal quarterly periods of the Company for which internal financial statements are available, would have been no greater than 5.5 to 1.0 and (C) any refinancing of any Indebtedness the incurrence of which was approved by a Special Majority Vote of the Board, which refinancing does not increase the principal amount of such Indebtedness;

(vi) any transaction between (A) the Company or any of its subsidiaries, on the one hand, and (B) any Stockholder (as defined below) or affiliate of the Company (other than any subsidiary of the Company and other than TdF and its affiliates), on the other hand;

(vii) the issuance of any equity security of the Company or any subsidiaries of the Company (subject to certain limitations, including without limitation, the grant or exercise of certain options to purchase Common Stock to employees, directors or consultants of the Company and the issuance of shares of Common Stock issuable upon conversion of, or in respect of dividends on, the Preferred Stock, or upon exercise of the warrants granted in connection with the issuance of the Preferred Stock (the "Senior Preferred Warrants"));

(viii) any Business Combination entered into by the Company;

(ix) the dissolution of the Company, the adoption of a plan of liquidation of the Company or any action by the Company relating to bankruptcy or insolvency; and

(x) any amendment to the Rights Plan other than any such amendment for the purpose of permitting any transaction which is permitted under the terms of the Governance Agreement or required by applicable law.

Veto Rights. Subject to certain limitations and the termination of such rights as described in "--Governance Limitations" below, TdF has a veto right (the "Veto") over the following actions of the Company or any subsidiary of the Company:

(i) (A) the creation or issuance of any new class of security of the Company or any class of security of a subsidiary of the Company (other than where all such subsidiary's securities are issued to the Company), or any right to acquire such security, (B) the issuance of any Class A Common Stock to any person other than TdF or its affiliates (other than the Company) (the "TdF Group") or (C) any amendment to the Certificate of Incorporation or By-laws (other than any amendment required by applicable law or any ruling or order of any court or governmental body) (including without limitation any such amendment to increase the number of directors constituting the entire Board), with, in the case of clause (A) or (B), the intent or effect of materially adversely affecting the legal rights of TdF under the Governance Agreement or the Stockholders Agreement;

(ii) the acquisition in one or a series of related transactions, including without limitation any enforceable right of any other person to require any deferred acquisition (whether by merger, consolidation, joint venture, the purchase of stock or assets or otherwise) of a business, operations, securities or assets not in a Permitted Business Line, which acquisition by the Company or any of its subsidiaries if the Company's and/or any such subsidiary's pro rata Total Enterprise Value in respect of such acquisition, immediately prior to giving effect thereto, would constitute more than 10% of the Total Enterprise Value of the Company and its subsidiaries taken as a whole;

(iii) the acquisition in one or a series of related transactions, including without limitation any enforceable right of any other person to require any deferred acquisition (whether by merger, consolidation, joint venture, the purchase of stock or assets or otherwise) of a business, operations, securities or assets which is (or are) in a Permitted Business Line (other than any part thereof which is not material in relation to the whole of such business, operations, securities or assets), which acquisition, by the Company or any of its subsidiaries if the value of the Company's and/or any such subsidiary's pro rata Total Enterprise Value

in respect of such acquisition, immediately prior to giving effect thereto, would constitute, (A) prior to December 31, 1999, the greater of \$750.0 million and more than 25% of the Total Enterprise Value of the Company and its subsidiaries taken as a whole and (B) following December 31, 1999, more than 25% of the Total Enterprise Value of the Company and its subsidiaries taken as a whole (it being understood that at the time of any subsequent optional purchase relating to such acquisition the value of the Company's and/or any such subsidiary's pro rata Total Enterprise Value will be the pro forma value of the entire interest);

(iv) any Strategic Alliance with certain parties;

(v) the disposition (other than with respect to asset swaps) in one or a series of related transactions, including without limitation any enforceable right of any other person to require any deferred disposition of a business or assets, if the value of the Company's and/or any such subsidiary's pro rata Total Enterprise Value in the consideration received in respect of such disposition, immediately prior to giving effect thereto, (including the assumption of any Indebtedness of the Company in connection therewith) exceeds 10% of the Total Enterprise Value of the Company and its subsidiaries taken as a whole; provided, however, that excluded from the foregoing will be any disposition by the Company or any of its subsidiaries of any specific interest of the Company and/or any of its subsidiaries in certain other permitted acquisitions, which interest the Board, as evidenced by resolution duly adopted by the Board prior to such acquisition, firmly intended to dispose of following such acquisition, and which is disposed of by the Company or any subsidiary of the Company within twelve months of such acquisition;

(vi) any Business Combination, except as permitted pursuant to the exercise of the CTSB Option, as described below; and

(vii) the issuance by the Company to any person in one or more transactions of equity securities or the right to purchase equity securities (other than with respect to the Rights issued under the Rights Plan) representing 25% (or if the Company elects by notice in writing to TdF, 30%) (the "Relevant Percentage") or more of the aggregate amount of the outstanding equity securities of the Company (it being understood that any such issuance the consummation of which would result in a Business Combination will be treated solely under the foregoing clause (vi)).

Governance Limitations. Subject to certain conditions, the super-majority requirements described under "--Super-Majority Voting Requirements" above will not apply if there is a vote of the Board under the following circumstances:

(i) following the second anniversary of the consummation of Roll-Up, six independent directors have been elected to the Board and vote on the proposed action; provided, however, that one existing independent director previously has been replaced (other than the independent director initially nominated by TdF) , (ii) seven independent directors have been elected to the Board and vote on the proposed action; provided, however, that one existing independent director previously has been replaced (other than the independent director initially nominated by TdF) or (iii) any vote of the Board after the fifth anniversary of the consummation of the Roll-Up.

Subject to certain conditions, following the fifth anniversary of the consummation of the Roll-Up, the Company or any of its subsidiaries may take any of the actions set forth in clauses (ii), (iii), (iv) and (v) under "--Veto Rights" above without the prior written consent of TdF, and following the tenth anniversary of the consummation of the Roll-Up, the Company or any of its subsidiaries may take the action set forth in clauses (i), (vi) and (vii) under "--Veto Rights" above without the prior written consent of TdF. Prior to such fifth or tenth anniversary, as applicable, so long as TdF is Qualified, no action by the Company or any subsidiary may be taken without the prior written consent of TdF other than an action described in clauses (iii) and (iv) under "--Veto Rights" above that, to TdF's knowledge (after having made all reasonable inquiries in the circumstances of appropriate management of the members of the TdF Group), is proposed to be entered into by any member of the TdF Group in competition with, or to the exclusion of, the Company or any subsidiary of the Company. In addition, no member of the TdF Group may enter into any transaction falling within a Permitted Business Line that TdF vetoed within six months after the relevant Veto.

Anti-dilution

Except in certain circumstances described below, as long as TdF remains Qualified, the Company will not issue, sell or transfer any equity securities to any person (other than in connection with the Offering but only to the extent that the consolidated percentage ownership interest of the TdF Group is not thereby reduced to less than 20%) unless TdF is offered in writing the right to purchase, at the same cash price and on the same other terms proposed, an amount of such equity securities as is necessary for the TdF Group to maintain its consolidated percentage ownership in the Company.

The anti-dilutive right set forth above does not apply in a number of circumstances, including without limitation, the grant or exercise of certain options to purchase Common Stock to employees, directors or consultants of the Company and the issuance of shares of Common Stock issuable upon conversion of, or in respect of dividends on, the Preferred Stock, or upon exercise of the Senior Preferred Warrants.

Standstill

Subject to certain exceptions and the time limitations described under "--Time Limitations" below, no member of the TdF Group will, without the prior written consent of the Board: (a) acquire, offer to acquire, or agree to acquire, by purchase, gift or otherwise, the beneficial ownership of any voting securities of the Company if the ownership interest of the TdF Group (the "TdF Group Interest") upon the consummation thereof would be greater than the Relevant Percentage; (b) publicly propose that TdF or any member of the TdF Group enter into, directly or indirectly, any Business Combination involving the Company or propose to purchase, directly or indirectly, a material portion of the assets of the Company or any subsidiary of the Company, or make any such proposal privately (other than any such proposal with respect to CTSB and its assets) if it would reasonably be expected to require the Company to make a public announcement regarding such proposal; (c) make, or in any way participate in, directly or indirectly, any "solicitation" of "proxies" (as such terms are used in Regulation 14A promulgated under the Exchange Act) to vote or consent with respect to any voting securities of the Company in opposition to the recommendation of a Special Majority Vote of the Board or become a "participant" in any "election contest" (as such terms are defined or used in Rule 14a-11 under the Exchange Act) in opposition to the recommendation of a Special Majority Vote of the Board; (d) act in concert with any person for the purposes prohibited by subparagraph (a) or (b) above; (e) except in accordance with the terms of the Stockholders Agreement, seek election to or seek to place a representative on the Board or seek the removal of any member of the Board; (f) (i) solicit, seek to effect, negotiate with or provide nonpublic information to any other person with respect to or (ii) otherwise make any public announcement or proposal whatsoever with respect to, any form of business combination (with any person) involving a change of control of the Company or the acquisition of a substantial portion of the voting securities and/or equity securities or assets of the Company or any subsidiary of the Company, including a merger, consolidation, tender offer, exchange offer or liquidation of the Company assets, or any restructuring, recapitalization or similar transaction with respect to the Company or any subsidiary of the Company; or (g) publicly disclose any intention, plan or arrangement, or provide advice or assistance to any person, inconsistent with the foregoing.

Transfer Restrictions

Subject to certain time limitations described under "--Time Limitations" below, TdF is subject to certain transfer restrictions on its voting securities of the Company. Subject to certain limitations, such restrictions do not apply to certain transactions, including without limitation, an underwritten public offering, a sale pursuant to Rule 144(e) and Rule 144(f) under the Securities Act and sales upon five business days' prior notice to the Company pursuant to the terms of any tender or exchange offer for voting securities of the Company made pursuant to the applicable provisions of the Exchange Act or pursuant to any business combination. Subject to certain limited exceptions, TdF or any member of the TdF Group desires to transfer to any person 5% or more of the voting securities of the Company, the Company will have the right to purchase all, or any part in excess of such 5%, of the voting securities of the Company for cash at the price at which they are to be transferred.

Voting

Whenever TdF has the right to vote any voting securities of the Company and any person has initiated, proposed or otherwise solicited stockholders of the Company in a "proxy-contest" or any proposal for the election of any member to the Board has received a negative vote, which in either case, has been recommended by a Special Majority Vote of the Board, TdF will be present and vote or consent with respect to all voting securities of the Company beneficially owned by it in the manner recommended by a Special Majority Vote of the Board or, if so requested by a Special Majority Vote of the Board, vote or cause to be voted all voting securities of the Company beneficially owned by it in the same proportion as the votes cast by or on behalf of the other holders of voting securities of the Company.

Time Limitations

The standstill, transfer restriction and voting provisions described above will cease to apply after the fifth anniversary of the consummation of the Roll-Up or the earlier of: (i) any person (other than Berkshire Fund III, A Limited Partnership, Berkshire Investors LLC and Berkshire Fund IV, Limited Partnership, their affiliates and their respective partners or members (the "Berkshire Group")) who holds, in person or as a group, less than the amount permitted to be held by the Berkshire Group without such person constituting an "Acquiring Person" under the Rights Plan beneficially owns or controls 15% or more of the voting securities and/or 15% or more of the outstanding equity securities (other than certain issuances of preferred stock) of the Company without a standstill agreement (which includes customary standstill provisions and terms no more favorable than those to which TdF is subject under the Governance Agreement) being entered into between the Company and such person; (ii) a business combination or other change in control of the Company has occurred or has been agreed to or acquiesced in by the Board or the consummation of (A) certain events described in the BBC Analog Transmission Contract or the BBC Digital Transmission Contract, (B) any bona fide unsolicited written offer by any person to acquire voting securities and/or equity securities of the Company, which, if consummated, or any acquisition by any person of any such securities which, when consummated, results in such person beneficially owning, directly or indirectly, more than the Relevant Percentage of the voting securities and/or equity securities of the Company (an "Unsolicited Offer") or (C) a bona fide unsolicited written offer to acquire a percentage of the equity securities of the Company which, if it were to be consummated or otherwise allowed to occur without the consent or approval of the BBC, would or might result in the BBC having the right to terminate the BBC Analog Transmission Contract or the BBC Digital Transmission Contract (a "Special Business Combination"); (iii) TdF is no longer Qualified; (iv) no voting security of the Company is publicly traded; or (v) the Company has redeemed the Rights under the Rights Plan.

In addition, the standstill and voting provisions described above will be suspended during any period from the date of the commencement by any person (other than TdF or any member of the TdF Group) of an Unsolicited Offer or a Special Business Combination to the date of closing, abandonment or termination of all such Offers (including any offer commenced by TdF or any member of the TdF Group following such suspension) and will thereafter be reinstated as in effect prior to the commencement of any such Unsolicited Offer or Special Business Combination.

CTSH Option

TdF will have the right to exercise the CTSH Option (as defined below) if TdF is Qualified and (i) the Board has approved a Business Combination by a Special Majority Vote, TdF thereafter vetoes such Business Combination and, subsequent to the exercise of the Veto by TdF, a majority of the entire Board (excluding the two TdF Designees) resolves to override such Veto by TdF; (ii) an Unsolicited Offer by any person (other than any member of the TdF Group) has commenced or occurred; or (iii) a Special Business Combination has been commenced by any person (other than any member of the TdF Group). The CTSH Option is exercisable irrevocably by notice in writing given to the Company within five days following agreement between the parties as to, or receipt of notice of the determination of, the fair market value per share of the CTSH Shares and certain warrants to purchase CTSH Shares (the "CTSH Warrants") (assuming the payment of the exercise price of such

Warrants) (the "CTSH Per Share Value"). Upon exercise, TdF will have the option (the "CTSH Option") to (x) acquire for cash by itself or together with any other person, all, but not less than all, the CTSH Shares beneficially owned by the Company (the "Company CTSH Shares") at such CTSH Per Share Value, (y) sell for cash to the Company the CTSH Shares beneficially owned by TdF (the "TdF CTSH Shares") and the CTSH Warrants beneficially owned by TdF (the "TdF CTSH Warrants") at such CTSH Per Share Value or (z) maintain the TdF CTSH Shares and the TdF CTSH Warrants without regard to the event giving rise to the CTSH Option.

In the case of an Unsolicited Offer or a Special Business Combination, if TdF has elected to exercise the CTSH Option pursuant to clause (x) of the first paragraph under "--CTSH Option" and the satisfaction or waiver of certain specified conditions to such CTSH Option has not been obtained under certain circumstances, TdF will have the option to declare the exercise of the CTSH Option pursuant to such clause (x) to be null and void and to exercise the CTSH Option pursuant to either clause (y) or clause (z) of the first paragraph under "--CTSH Option" in lieu thereof.

If the Business Combination is not consummated (or an Unsolicited Offer or Special Business Combination is abandoned or terminated) by reason primarily of the exercise by TdF of the CTSH Option pursuant to clause (x) above, then the Company may nevertheless require TdF to proceed with the purchase (the "Required Purchase") of the Company CTSH Shares at the CTSH Per Share Value, subject to the satisfaction or waiver of certain specified conditions and the non-occurrence prior to the closing of the Required Purchase of (i) any event or development of a state of circumstances or facts which has had or is reasonably likely to have, individually or in the aggregate, a material adverse effect on CTSH and its subsidiaries taken as a whole or (ii)(A) a suspension of trading in the Company's Common Stock by the Commission or Nasdaq or the establishment of limited or minimum prices in trading of securities generally on the New York Stock Exchange, Inc., or Nasdaq or (B) banking moratoriums having been declared either by Federal or New York State authorities. If TdF exercises the CTSH Option pursuant to clause (x) in the first paragraph of this section, TdF may pay all or any part of the purchase price therefor by surrendering to the Company on the closing of such exercise shares of Class A Common Stock (which will be valued at the offer price per share of Common Stock pursuant to the Business Combination, Unsolicited Offer, or Special Business Combination, as applicable, giving rise to the CTSH Option).

Immediately prior to the consummation of any Business Combination, Unsolicited Offer or Special Business Combination, TdF will have the right to require the Company to purchase one-half of the shares of Class A Common Stock held by the TdF Group, as applicable, for cash in an amount equal to the product of (x) the offer price per share of Common Stock pursuant to the Business Combination, Unsolicited Offer or Special Business Combination, as applicable, and (y) one-half of the number of such shares of Class A Common Stock held by the TdF Group.

Put and Call Rights

TdF Put Right. From the date of the Governance Agreement and continuing until the second anniversary of the consummation of the Roll-Up, TdF will have the right in its sole discretion, upon the delivery of a notice (the "TdF Put Notice") by TdF to the Company, to require the Company, subject to the satisfaction of certain specified conditions, (A) subject to proviso (B) in "--Put and Call Limitations" below, to purchase all, but not less than all (except for one CTSH Ordinary Share), of the TdF CTSH Shares beneficially owned by the TdF Group in exchange for that number of shares of Class A Common Stock which is equal to the product of (x) the Exchange Ratio and (y) the number of all (but one CTSH Ordinary Share) of such TdF CTSH Shares (the "TdF Put Shares") and (B) to issue in exchange for the TdF CTSH Warrants (i) the warrants for Company Stock issued to TdF upon exercise of the TdF Put Right (the "TdF CCIC Warrants") for a number of shares of Class A Common Stock which is equal to the product of (x) the Exchange Ratio and (y) the number of TdF CTSH Shares represented by the TdF CTSH Warrants and (ii) 100,000 shares of Class A Common Stock, subject to adjustment in certain circumstances.

Company Call Right. On the second anniversary of the consummation of the Roll-Up (or, if an Unsolicited Offer or Special Business Combination is outstanding on such date, such date as is five days following the termination or abandonment of such Unsolicited Offer or Special Business Combination) unless (i) the closing of the TdF Put Right has previously been consummated, (ii) the weighted average price per share of Common Stock over the five trading days immediately preceding the second anniversary of the date of the consummation of the Roll-Up (the "Common Stock Call Price") is less than or equal to \$60 (as adjusted for any stock split, stock dividend, rights offering, recapitalization, reclassification or other similar transaction), or (iii) a Business Combination has been consummated, or an Unsolicited Offer or a Special Business Combination is outstanding or has been consummated and TdF has exercised the CTSW Option pursuant to clause (x) of the first paragraph in CTSW Option section above, the Company will have the right in its sole discretion, upon the delivery of a notice (the "Company Call Notice") by the Company to TdF on such date, to require, subject to the satisfaction of certain specified conditions, subject to proviso (B) in "--Put and Call Limitations" below, TdF to transfer and deliver to the Company all, but not less than all (except for one CTSW Ordinary Share), of the TdF CTSW Shares and the TdF CTSW Warrants beneficially owned by the TdF Group in exchange for the TdF Put Shares, the TdF CCIC Warrants and 100,000 shares of Class A Common Stock, subject to adjustment in certain circumstances.

Put and Call Limitations. Subject to certain conditions, the closing of the Company Call Right or the TdF Put Right, as the case may be, shall take place on the tenth business day after the date on which TdF received the Company Call Notice or the TdF Put Notice, as the case may be. Notwithstanding the foregoing, if (A) (i) a legal prohibition prevents consummation of the Company Call Right or the TdF Put Right, as the case may be, and TdF uses its reasonable best efforts to remove any such legal prohibition, TdF will be deemed to be Qualified for purposes of the Governance Agreement for the lesser of (x) the first anniversary of the date of the Company Call Notice or the TdF Put Notice, as the case may be, and (y) the closing of the Company Call Right or the TdF Put Right, as the case may be, or (ii) the BBC has not approved the exercise of the Company Call Right or the TdF Put Right, as the case may be, or has approved the Company Call Right or the TdF Put Right, as the case may be, subject to conditions which are reasonably deemed by the Company or TdF to be onerous and TdF uses its reasonable best efforts to obtain such BBC approval and to permit the Company to consummate the Company Call Right or the TdF Put Right, as the case may be, TdF will be deemed to be Qualified for purposes of the Governance Agreement for so long as (x) TdF continues to exercise its reasonable best efforts to obtain such removal or approval and (y) the TdF Consolidated Group Interest is not less than 10.5%; or (B) if the BBC does not approve the exercise of the Company Call Right or the TdF Put Right in whole, as the case may be, or has approved the Company Call Right or the TdF Put Right in whole subject to conditions that are reasonably deemed by the Company or TdF to be onerous, the Company shall be permitted to consummate the Company Call Right or the TdF Put Right in respect of so many of the TdF CTSW Shares and TdF CTSW Warrants as do not require the consent of the BBC, and TdF shall be deemed to be Qualified for purposes of the Governance Agreement for so long as (x) TdF continues to exercise its reasonable best efforts to obtain such removal or approval and (y) the TdF Consolidated Group Interest is not less than 10.5%.

Stockholders Agreement

Concurrently with the consummation of the Offering, the Company will enter into the Stockholders Agreement (the "Stockholders Agreement") with certain stockholders of the Company (the "Stockholders") to provide for the certain rights and obligations of the Company and the Stockholders with respect to the governance of the Company and the Stockholders' shares of Common Stock or Class A Common Stock, as the case may be, following the consummation of the Exchange.

General Restrictions On Transfers

Each Stockholder has agreed that it will not, directly or indirectly, sell or otherwise transfer any shares of Common Stock (and Class A Common Stock in the case of TdF and DFI) (the "Shares") held by such Stockholder to any of its affiliates or permitted transferees, unless, prior to the consummation of any such sale or

transfer, the affiliate or permitted transferee executes the Stockholders Agreement and makes certain specified representations and warranties regarding its ability to execute the Stockholders Agreement.

Subject to certain exceptions, if a sale or transfer of Shares is made by a Stockholder to a third party, such Shares will immediately cease to be subject to the Stockholders Agreement. If a sale or transfer of Shares results in the selling stockholder or its permitted transferees ceasing to own any Shares, such selling stockholder shall cease to be a party to the Stockholders Agreement.

Governance

Board of Directors. The Board will consist of 12 members.

Board Representation. (i) So long as TdF is Qualified, TdF will have the right to appoint two directors pursuant to the terms of the Class A Common Stock set forth in the charter (the "TdF Designees"); provided, however, that if TdF is not Qualified, such members of the TdF Group shall, so long as the ownership interest of the TdF Group is at least 5.0%, have the right to appoint a director pursuant to the terms of such Class A Common Stock (the "TdF Designee"); (ii) so long as the ownership interest of Robert A. Crown, Barbara Crown and their permitted transferees (the "Crown Parties") has a market value of at least \$10.0 million, the members of the Crown Parties holding in the aggregate a majority of the aggregate number of Shares held of record by the Crown Parties will have the right to designate one nominee for election as a director (the "Crown Designee"); (iii) so long as the Ted B. Miller, Jr. and his permitted transferees (the "Initial Stockholder Group") maintains an ownership interest, the members of the Initial Stockholder Group holding in the aggregate a majority of the aggregate number of Shares held of record by the Initial Stockholder Group will have the right to designate one nominee for election as a director (the "Initial Stockholder Designee"); (iv) the Chief Executive Officer of the Company will have the right to designate one nominee for election as a director (the "CEO Designee"); (v) so long as the ownership interest of Centennial Fund IV, L.P., Centennial Fund V, L.P., Centennial Entrepreneurs Fund V, L.P., their affiliates and respective partners (the "Centennial Group") is at least 5.0%, members of the Centennial Group holding in the aggregate a majority of the aggregate number of Shares held of record by the Centennial Group will have the right to designate one nominee for election as a director (the "Centennial Designee"); (vi) so long as the ownership interest of the Berkshire Group is at least 5.0%, the members of the Berkshire Group holding in the aggregate a majority of the aggregate number of Shares held of record by the Berkshire Group will have the right to designate one nominee for election as a director (the "Berkshire Designee"); (vii) so long as the ownership interest of Nassau Capital Partners II, L.P., NAS Partners I, L.L.C., their affiliates and their respective partners (the "Nassau Group") is not less than the ownership interest of the Nassau Group immediately following the closing of the Offering, the members of the Nassau Group holding in the aggregate a majority of the aggregate number of Shares held of record by the Nassau Group will have the right to designate one nominee for election as a director (the "Nassau Designee"); and (viii) all directors other than the Designees ("General Directors") will be nominated in accordance with the Certificate of Incorporation and By-laws.

Solicitation and Voting of Shares. With respect to each meeting of stockholders of the Company at which directors are to be elected, the Company will use its best efforts to solicit from the stockholders of the Company eligible to vote in the election of directors proxies in favor of the nominees selected in accordance with the provisions of the Stockholders Agreement (including without limitation the inclusion of each director nominee in management's slate of nominees and in the proxy statement prepared by management of the Company in respect of each annual meeting, vote or action by written consent).

Each Stockholder will vote or act by written consent with respect to (or cause to be voted or acted upon by written consent) (i) all Shares held of record or beneficially owned by such Stockholder at the time of such vote or action by written consent and (ii) all Shares as to which such Stockholder at the time of such vote or action by written consent has voting control, in each case (A) in favor of the election of the persons nominated pursuant to the provisions described in "--Board Representation" above to serve on the Board and (B) against the election of any other person nominated to be a director.

Committees of the Board. Each of the Nominating and Corporate Governance Committee and the Executive Committee will contain, so long as TdF is Qualified, at least one TdF Designee.

Registration Rights

Subject to certain exceptions, limitations and the suspension of such rights by the Company under certain conditions, the Stockholders have been granted certain piggy-back registration rights, demand registration rights, S-3 registration rights and tag-along rights with respect to their shares of Common Stock.

Tag-Along Rights. Subject to certain exceptions, including without limitation in the case of the Offering, any registered sale of securities under the Securities Act or any other sales of securities on the market, if at any time Stockholders holding at least 2% of the voting securities of the Company (the "Initiating Stockholder(s)") determine to sell or transfer 2% or more of the voting securities then issuable or outstanding in one or a series of bona fide arm's-length transactions to a third party who is not an affiliate of any of the Initiating Stockholders, Stockholders may have the opportunity and the right to sell to the purchasers in such proposed transfer (upon the same terms and conditions as the Initiating Stockholders) up to that number of Shares owned by such Stockholder equaling the product of (i) a fraction, the numerator of which is the number of Shares owned by such Stockholder as of the date of such proposed transfer and the denominator of which is the aggregate number of Shares owned by the Initiating Stockholders and by all Stockholders exercising tag-along rights multiplied by (ii) the number of securities to be offered.

Certain Definitions

"Business Combination" shall mean any of the following: (i) the sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), of all or substantially all of the assets of the Company and its Subsidiaries, taken as whole, to any person or (ii) any transaction (including, without limitation, any merger or consolidation) the consummation of which would result in any person (other than any person which becomes a holding company of the Company, all shares in which (other than shares not exceeding the Relevant Percentage) are held by the same persons as were stockholders in the Company prior to such person becoming a holding company of the Company) becoming, directly or indirectly, the beneficial owner of more than 50% of the Voting Securities and/or Equity Securities (other than Customary Preferred Stock) of the Company (measured in the case of Voting Securities by Voting Power rather than number of shares).

"Consolidated Cash Flow" shall mean, with respect to any person for any period, the consolidated net income of such person for such period plus (i) provision for taxes based on income or profits of such person and its Subsidiaries for such period, to the extent that such provision for taxes was included in computing such consolidated net income, plus (ii) consolidated interest expense of such person and its Subsidiaries for such period, whether paid or accrued and whether or not capitalized (including, without limitation, amortization of debt issuance costs and original issue discount, non-cash interest payments, the interest component of any deferred payment obligations, the interest component of all payments associated with capital lease obligations, imputed interest with respect to attributable Indebtedness, commissions, discounts and other fees and charges incurred in respect of letters of credit or bankers acceptance financings, and net payments (if any) pursuant to hedging obligations), to the extent that any such expense was deducted in computing such consolidated net income, plus (iii) depreciation, amortization (including amortization of goodwill and other intangibles and other non-cash expenses (excluding any such non-cash expense to the extent that it represents an accrual of or reserve for cash expenses in any future period) of such person and its Subsidiaries for such period to the extent that such depreciation, amortization and other non-cash expenses were deducted in computing such consolidated net income, minus (iv) non-cash items increasing such consolidated net income for such period (excluding any items that were accrued in the ordinary course of business), in each case on a consolidated basis and determined in accordance with U.S. generally accepted accounting principles.

"Debt to Adjusted Consolidated Cash Flow Ratio" shall mean, as of any date of determination, the ratio of (a) the Indebtedness of the Company as of such date to (b) the sum of (1) the Consolidated Cash Flow of the Company for the four most recent full fiscal quarters ending immediately prior to such date for which internal

financial statements are available, less the Company's Tower Cash Flow for such four-quarter period, plus (2) the product of four times the Company's Tower Cash Flow for the most recent quarterly period (such sum being referred to as "Adjusted Consolidated Cash Flow"), in each case determined on a pro forma basis after giving effect to all acquisitions or dispositions of assets made by the Company and its Subsidiaries from the beginning of such four-quarter period through and including such date of determination (including any related financing transactions) as if such acquisitions and dispositions had occurred at the beginning of such four-quarter period. For purposes of making the computation referred to above, (i) acquisitions that have been made by the Company or any of its Subsidiaries, including through mergers or consolidations and including any related financing transactions, during the reference period or subsequent to such reference period and on or prior to the calculation date shall be deemed to have occurred on the first day of the reference period and Consolidated Cash Flow for such reference period shall be calculated, and (ii) the Consolidated Cash Flow attributable to discontinued operations, as determined in accordance with U.S. generally accepted accounting principles, and operations or businesses disposed of prior to the calculation date, shall be excluded.

"Indebtedness" shall mean all obligations, without duplication, (including without limitation hedging obligations), contingent and otherwise, which should, in accordance with U.S. generally accepted accounting principles consistently applied, be classified upon the obligor's consolidated balance sheet as liabilities, including, without limitation, liabilities secured by any mortgage on property owned or acquired subject to such mortgage, and also including, without limitation, (i) all guaranties, endorsements and other contingent obligations, in respect of Indebtedness of others, whether or not the same are or should be so reflected in the said balance sheet, except guaranties by endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business, (ii) a preferred share which is mandatorily redeemable for cash or exchangeable for debt securities and (iii) the present value of any lease payments due under leases required to be capitalized in accordance with applicable Statements of Financial Accounting Standards, determined in accordance with applicable Statements of Financial Accounting Standards; provided that the foregoing shall not include any such obligations with respect to trade payables under 90 days old.

"Permitted Business Line" shall mean (i) the ownership, operation or management (for third party owners or otherwise) of terrestrial wireless communication (including without limitation voice, data and video) infrastructure (including equipment and facilities principally related thereto) and (ii) the provision of infrastructure services principally relating thereto, including but not limited to network transmission and services (it being understood for the avoidance of doubt that the transmission of radio and television broadcasting shall be within the foregoing definition).

"Permitted Indebtedness" shall mean any of the following items of Indebtedness of the Company or any of its Subsidiaries: (i) any Indebtedness under the Senior Credit Facility up to an aggregate principal amount of \$100.0 million outstanding at any one time; (ii) Indebtedness represented by the Notes; (iii) Indebtedness under the CTI Credit Facility up to an aggregate principal amount of (Pounds)85.0 million outstanding at any one time; or (iv) Indebtedness represented by the CTI Bonds.

"permitted transferee" of any person shall mean (a) if the transferor is a natural person, (i) in the case of the death of such person, such person's executors, administrators, testamentary trustees, heirs, devisees and legatees, (ii) such person's current or future spouse, parents, siblings or descendants or such parents', siblings' or descendants' spouses (each a "Family Member"), (iii) any trust for the benefit of any Family Member and (iv) any charitable organization described in Section 501(c)(3) of the Code and any charitable income or lead trust for which, under the Code and regulations thereunder and Internal Revenue Service interpretations thereof, an income, gift or estate tax charitable deduction is available to the grantor of the trust, (b) whether or not the transferor is a natural person, a corporation or corporations and a partnership or partnerships (or other entity for collective investment, such as a fund or a limited liability company) which at the date of transfer are directly or indirectly controlled by, controlling or under common control with such person and the officers, employees, general partners and limited partners of such person, and (c) if the transferor, whether or not a natural person, itself received the transferred interest as a permitted transferee as to the original transferor, a permitted transferee of such person is any person, whether or not a natural person, who would be a permitted transferee under

subparagraph (a) or (b) above, as to the original transferor; provided that any such transferee shall agree in writing with the Company and the other parties to the Stockholders Agreement to be bound by all of the provisions of the Stockholders Agreement to the same extent as if such transferee were the individual.

TdF will be "Qualified" for purposes of the Governance Agreement if (i) during the period from the date of the consummation of the Roll-Up to (and including) the second anniversary of such date, (A) the TdF Consolidated Group Interest is not at any time less than 10.5%, (B) a Business Combination has not at any time been consummated and (C) there has not occurred a TdF Change of Control and (ii) following the occurrence of such second anniversary without any loss of Qualification by TdF under clauses (i)(A), (B) or (C) preceding, (A) the TdF Put Right has been exercised by TdF on or prior to the second anniversary of the Closing, or the Company Call Right has been exercised by the Company on such second anniversary, (B) the TdF Group Interest is not at any time less than 10.5%, (C) a Business Combination has not at any time been consummated and (D) there has not occurred a TdF Change of Control. Notwithstanding the foregoing, TdF shall also be deemed to be Qualified for purposes of the Governance Agreement in certain circumstances relating to exercise of the TdF Put Right and the Company Call Right as described under "--Governance Agreement--Put and Call Rights--Put and Call Limitations" above.

"Special Majority Vote of the Board" shall mean (i) approval by two-thirds of the entire Board (it being understood that in the event that two-thirds shall not be a whole number, such two-thirds number shall be rounded up to the next integral number) or (ii) at such time as one existing independent director (other than the independent director initially appointed by TdF pursuant to the Stockholders Agreement) is replaced and five independent directors shall have been duly elected and shall have qualified and shall be present, in person or by proxy, and voting, approval by two-thirds of the entire Board (it being understood that in the event that such two-thirds number shall not be a whole number, such two-thirds number shall be rounded down to the next integral number); provided, however, that so long as the number of directors constituting the entire Board is 12, (a) under the circumstances in clause (i) above, "Special Majority Vote of the Board" shall mean the approval of nine directors and (b) under the circumstances in clause (ii) above, "Special Majority Vote of the Board" shall mean the approval of eight directors.

"Strategic Alliance" shall mean any merger, consolidation, joint venture, cooperative agreement or arrangement or co-ownership with, or investment by or in any person. Strategic Alliance shall not, however, include any purchase, lease or disposition for cash to or from any such person of all but not part of certain of the assets (other than securities or other interests in any person) of such person. If such Strategic Alliance also constitutes a Business Combination, such Strategic Alliance shall be deemed to be only a Business Combination for all purposes of the Governance Agreement.

"TdF Change of Control" shall occur if (i) TeleDiffusion de France S.A., which is the parent company of TdF and DFI ("TdF Parent"), does not own, directly or indirectly, at least 30% of TdF, and any other person owns, directly or indirectly, 30% or more of TdF or (ii) France Telecom does not own, directly or indirectly, at least 30% of TdF Parent, and any other person owns, directly or indirectly, 30% or more of TdF Parent and, in each case, such other person conducts a core business in the Company's Permitted Business Line in a geographic area in which the Company conducts more than de-minimis business in its Permitted Business Line at the time of the occurrence of the circumstances described in the preceding clauses (i) and (ii).

"TdF Consolidated Group Interest" means the percentage of voting power that is controlled directly or indirectly by the TdF Group or would be controlled directly or indirectly by the TdF Group on the exercise of the TdF Put Right (assuming the exercise of the TdF CTSH Warrants).

"Total Enterprise Value" of any person shall mean, as of any date of determination, the sum (without duplication) of (i) the Total Equity Market Capitalization of such person and (ii) the Indebtedness of such person.

"Total Equity Market Capitalization" of any person shall mean, as of any day of determination, the sum of (i) the product of (A) the aggregate number of outstanding shares of Equity Securities of such person on such

day (which shall include any options or warrants on, or securities convertible or exchangeable into, shares of Equity Securities of such person) multiplied by (B) the average closing price of such common stock listed on the New York Stock Exchange, the American Stock Exchange or Nasdaq over the 20 consecutive Business Days immediately preceding such day, plus (ii) the liquidation value of any outstanding shares of preferred stock of such Person on such day, which preferred stock does not constitute Indebtedness for purposes of the Governance Agreement.

"Tower Cash Flow" means the Consolidated Cash Flow of the Company and its subsidiaries that is directly attributable to site rental revenue or license fees paid to lease or sublease space on communications sites owned or leased by the Company, excluding revenue or expenses attributable to non-site rental services provided by the Company or its subsidiaries to lessees of communications sites or revenues derived from the sale of assets.

CTSH Shareholders' Agreement

Concurrently with the consummation of the Offering, CCIC, TdF and CTSH will enter into a Shareholders' Agreement to govern the relationship between CCIC and TdF as shareholders of CTSH (the "CTSH Shareholders' Agreement").

Corporate Governance. The CTSH Shareholders' Agreement establishes that the Board of CTSH will be comprised of six directors, of which CCIC and TdF will each have the right to appoint and remove two directors with the remaining two directors to be mutually agreed upon by CCIC and TdF. Immediately following consummation of the Offering, the Board will consist of Ted B. Miller, Jr., who will serve as Chairman of the Board, Charles C. Green III, Michel Azibert, Michel Combes, George Reese and Alan Rees. CCIC has the right to nominate the chairman, chief executive officer, chief operating officer and chief financial officer of CTSH, subject to approval by a Special Majority Vote of the Board of CCIC.

The affirmative vote of a majority of the Board, including a director nominated by CCIC and a director nominated by TdF, is necessary for the adoption of a resolution. Further, the prior written consent of each of CCIC and TdF, in their capacities as shareholders, is required for the following actions, among others, significant acquisitions and dispositions; issuances of new shares; entry into transactions with shareholders, except pursuant to the CTI Services Agreement and/or the CTI Operating Agreement; entry into new lines of business; capital expenditures outside the budget; entry into banking and other financing facilities; entry into joint venture arrangements; payment of dividends, except for (i) dividends payable in respect of CTSH's redeemable preferred shares and (ii) dividends permitted by CTSH's financing facilities; and establishing a public market for CTSH shares. Similar governance arrangements also apply to CTSH's subsidiaries.

If either CCIC or TdF vetoes a transaction (either at Board or shareholder level), the other shareholder is entitled to pursue that transaction in its own right and for its own account.

Transfer Provisions. Subject to certain exceptions, neither CCIC nor TdF may transfer any interest in shares held in CTSH to a third party. Transfers of shares to affiliated companies are permitted, subject to certain conditions. No shares may be transferred if such transfer would (a) entitle the BBC to terminate either of the BBC contracts, (b) subject CTSH to possible revocation of its licenses under the Telecommunications Act 1984 or the Wireless Telegraphy Acts 1949, 1968 and 1998 or (c) cause CCIC or TdF to be in breach of the Commitment Agreement between the Company, TdF, TdF Parent and the BBC (under which the Company and TdF have agreed to maintain certain minimum ownership levels in CTSH for a period of five years). See "Business--U.K. Operations--Significant Contracts--BBC Commitment Agreement".

In addition, shares may be sold to a third party, subject to a right of first refusal by the other party, after the later of (a) the second anniversary of the closing of the Roll-up, and (b) the expiration of the period for the completion of the TdF Put Right (as defined) or the Company Call Right (as defined). If CCIC purchases TdF's shares pursuant to such right of first refusal, it may elect (instead of paying the consideration in cash) to discharge the consideration by issuing its Common Stock at a discount of 15% to its market value. If the right of first

refusal is not exercised, the selling shareholder must procure an offer on the same terms for the shares held by the other party. If the Company elects to issue Common Stock to TdF pursuant to the right of first refusal, TdF will be entitled to certain demand registration rights and tag along rights.

TdF Put Right. TdF has the right to put its shares of CTSH to CCIC for cash (the "TdF Put Right") if there is a change of control of CCIC. Such right is exercisable if (a) TdF has not exchanged its shares pursuant to the Governance Agreement by the second anniversary of the closing of the Roll-Up, or (b) prior to the second anniversary of the closing of the Roll-Up, if TdF has ceased to be Qualified for the purposes of the Governance Agreement.

The consideration payable on the exercise of the TdF Put Right will be an amount agreed between CCIC and TdF or, in the absence of agreement, the fair market value as determined by an independent appraiser.

TdF Exit Right. TdF also has the right after the earlier of (a) the second anniversary of the closing of the Roll-Up, or (b) TdF ceasing to be Qualified for purposes of the Governance Agreement, to require CCIC, upon at least six months' notice, to purchase all, but not less than all, of the shares it beneficially owns in CTSH (the "TdF Exit Right").

The consideration to be paid to TdF, and the manner in which it is calculated, upon exercise of the TdF Exit Right is substantially the same as described upon exercise of the TdF Put Right.

CCIC is entitled to discharge the consideration payable on the exercise of the TdF Exit Right either in cash or by issuing Common Stock to TdF at a discount of 15% to its market value. If CCIC elects to issue Common Stock to TdF on the exercise of the TdF Exit Right, TdF will be entitled to certain demand registration rights and tag-along rights.

CCIC Deadlock Right. CCIC has the right to call TdF's shares of CTSH, subject to certain procedural requirements, for cash if, after the third anniversary of the closing of the Roll-Up, TdF refuses on three occasions during any consecutive six-month period to agree to the undertaking by CTSH of certain types of transactions (including acquisitions and disposals) that would fall within CTSH's core business (the "CCIC Deadlock Right"). The consideration due on the exercise of the CCIC Deadlock Right is payable in cash, the fair market value of the TdF interest to be determined in the same manner described above upon exercise of the TdF Put or Exit Rights.

CCIC Shotgun Right. Provided that TdF has not, pursuant to the Governance Agreement, exchanged its share ownership in CTSH for shares of CCIC, CCIC may (a) by notice expiring on the fifth anniversary of the closing of the Roll-Up, or (b) at any time within 45 days of CCIC becoming aware of a TdF Change of Control (as defined in the Governance Agreement) offer to purchase TdF's shares in CTSH. TdF is required to either sell its shares or agree to purchase CCIC's shares in CTSH at the same price contained in CCIC's offer for TdF's shares of CTSH.

The consummation of any transfer of shares between CCIC and TdF pursuant to any of the transfer provisions described above is subject to the fulfillment of certain conditions precedent, including obtaining all necessary governmental and regulatory consents.

Termination. The Shareholders' Agreement terminates if either CCIC or TdF ceases to be qualified. CCIC remains qualified on the condition that it holds at least 10% of the share capital of CTSH.

CTI Services Agreement

On February 28, 1997, CTI and TdF Parent entered into a Services Agreement (the "CTI Services Agreement") pursuant to which TdF Parent agreed to provide certain consulting services to CTI in consideration for a minimum annual fee of (Pounds)400,000 (\$670,000) and reimbursement for reasonable out-of-pocket expenses. TdF Parent has agreed to, among other things, provide the services of ten executives or engineers to CTI on a

part-time basis and to provide a benchmarking review of CTI. In addition, TdF Parent has agreed to provide additional services relating to research, development and professional training on terms (including as to price) to be determined.

Upon consummation of the Offering, the term of the CTI Services Agreement is expected to be extended for four additional years (to February 28, 2004) and thereafter will be terminable on 12-month's prior notice given by CTI to TdF after February 28, 2003.

CTI Operating Agreement

The following is a summary of the terms of the CTI Operating Agreement is subject to the negotiation of definitive documentation, although the Company expects such agreement to have the general terms described herein. Under the CTI Operating Agreement (the "CTI Operating Agreement"), the Company will be permitted to develop business opportunities relating to terrestrial wireless communications (including the transmission of radio and television broadcasting) anywhere in the world except the United Kingdom. CTI will be permitted to develop such business opportunities solely in the United Kingdom. The Company and TdF also intend to establish, pursuant to the CTI Operating Agreement, a joint venture to develop digital terrestrial transmission services in the United States. See "Business--U.S. Operations--Network Services--Broadcast Site Rental and Services".

The CTI Operating Agreement will also establish a framework for the provision of business support and technical services to the Company and its subsidiaries (other than CTI) in connection with the development of any international business by the Company. TdF will have the right, if called upon to do so by the Company or CTS, to provide all or part of such services to the Company and its subsidiaries (other than CTI) in connection with the provision of broadcast transmission services.

MANAGEMENT

DIRECTORS AND EXECUTIVE OFFICERS

The following table sets forth certain information with respect to persons who are expected to serve as directors or executive officers and other key personnel of the Company upon consummation of the Offering:

NAME ----	AGE ---	POSITIONS WITH THE COMPANY -----
Ted B. Miller, Jr.....	46	Chief Executive Officer and Vice Chairman of the Board of Directors
David L. Ivy.....	51	President and Director
Charles C. Green, III.....	52	Executive Vice President and Chief Financial Officer
John L. Gwyn.....	50	Executive Vice President
Wesley D. Cunningham.....	38	Vice President, Corporate Controller and Chief Accounting Officer
John Kelly.....	40	Executive Vice President and Chief Operating Officer of CCI
Alan Rees.....	55	Chief Operating Officer and Director of CTSH
George E. Reese.....	47	Chief Financial Officer, Secretary and Director of CTSH
Michel Azibert.....	42	Director
Bruno Chetaille.....	44	Director
Robert A. Crown.....	43	Director
Carl Ferenbach.....	56	Chairman of the Board of Directors
Randall A. Hack.....	50	Director
Edward C. Hutcheson, Jr.....	52	Director
J. Landis Martin.....	52	Director
Robert F. McKenzie.....	54	Director
William A. Murphy.....	30	Director
Jeffrey H. Schutz.....	46	Director

Pursuant to the Certificate of Incorporation and By-laws of the Company, the Board of Directors, other than those directors who may be elected by holders of any series of Preferred Stock or holders of the Class A Common Stock, will be classified into three classes of directors, denoted as Class I, Class II and Class III. Messrs. Ferenbach, Schutz and McKenzie will be Class I directors. Messrs. Crown, Murphy and Ivy will be Class II directors, and Messrs. Hack, Hutcheson, Martin and Miller will be Class III directors. The terms of Class I, Class II and Class III directors expire at the annual meetings of stockholders to be held in 1999, 2000 and 2001, respectively. See "Description of Capital Stock--Certificate of Incorporation and Bylaws--Classified Board of Directors and Related Provisions". Messrs. Azibert and Chetaille are expected to be elected to the Board of Directors by the holders of the Class A Common Stock upon consummation of the Roll-Up and the Offering.

TED B. MILLER, JR. has been the Chief Executive Officer since November 1996, Vice Chairman of the Board of Directors since August 1997 and a director of the Company since 1995. Mr. Miller co-founded CTC in 1994. He was the President of the Company and CTC from November 1996 to August 1997. Since February 1997, Mr. Miller has been the Managing Director, Chief Executive Officer and a director of CTI. Mr. Miller is a founding member of InterComp Technologies, L.C., a company providing payroll tax services in the former Soviet Union, and has served on its Board of Managers since 1994. In 1986, Mr. Miller founded Interstate Realty Corporation ("Interstate"), a real estate development and consulting company, and has been its President and Chief Executive Officer since inception. Mr. Miller is a director and/or an officer of each wholly owned subsidiary of the Company.

DAVID L. IVY has been the President of the Company since August 1997, and was elected as a director of the Company in June 1997. From October 1996 to August 1997, he served as Executive Vice President and Chief Financial Officer of the Company. Since 1995, he has been the President of DLI, Inc., a real estate consulting company. From 1993 to 1995, Mr. Ivy was a senior executive with, and later the President and Chief Operating Officer of, J.E. Robert Companies, where he managed a joint venture with Goldman, Sachs & Co. that was established to acquire distressed assets from financial institutions. From 1987 to 1993, Mr. Ivy served as Chairman of the Board of Directors of Interstate. Mr. Ivy is a director of each wholly owned subsidiary of the Company.

CHARLES C. GREEN, III has been an Executive Vice President and Chief Financial Officer of the Company since September 1997. Mr. Green was the President and Chief Operating Officer of Torch Energy Advisors Incorporated ("Torch"), a major energy asset management and outsourcing company, from 1993 to 1995, and Vice Chairman of the Board of Directors and Chief Investment Officer from 1995 to 1996. From 1992 to September 1997, he was an officer, and later the Executive Vice President and Chief Financial Officer, of Bellwether Exploration Company, an oil and gas exploration and production company and an affiliate of Torch. From 1982 to 1992, Mr. Green was President, Chief Operating Officer and Chief Financial Officer of Treptow Development Company, a real estate development company. Mr. Green currently serves on the Board of Directors of Teletouch Communications, Inc. He has been a Chartered Financial Analyst since 1974. Mr. Green is a director and/or officer of each wholly owned subsidiary of the Company.

JOHN L. GWYN has been an Executive Vice President of the Company since August 1997. From February to August 1997, Mr. Gwyn served as Senior Vice President of the Company and CTC. From 1994 to February 1997, Mr. Gwyn was a Vice President and Director of Commercial Real Estate Asset Management of Archon Group, L.P., a real estate asset management company and a wholly owned subsidiary of Goldman, Sachs & Co. From 1989 to 1993, he was a Senior Vice President of The Robert C. Wilson Company, a mortgage banking company. Mr. Gwyn is a director of VISI.

WESLEY D. CUNNINGHAM has been a Vice President and Chief Accounting Officer of the Company since April 1998. He has been the Corporate Controller of the Company since February 1997. Mr. Cunningham was the Assistant Corporate Controller of Drilex International Inc., an oilfield services company, from 1996 to January 1997. From 1990 to 1996, he was the Manager of Financial Reporting of Maxxam Inc., an aluminum, forest products and real estate company. He has been a Certified Public Accountant since 1984. Mr. Cunningham is an officer of each wholly owned subsidiary of the Company.

JOHN KELLY has been the Executive Vice President and Chief Operating Officer of CCI since July 1998. From January 1990 to July 1998, Mr. Kelly was the President and Chief Operating Officer of Atlantic Cellular Company L.P. ("Atlantic Cellular"). From December 1995 to July 1998, Mr. Kelly was also President and Chief Operating Officer of Hawaiian Wireless, Inc., an affiliate of Atlantic Cellular. Mr. Kelly has served on the board of directors of the Cellular Association of California as well as the Vermont Telecommunications Application Center.

ALAN REES has been the Chief Operating Officer of CTSH and each of its wholly owned subsidiaries since February 1997. He was elected as a director of CTSH and each of its wholly owned subsidiaries in May 1997. From 1994 to 1997, Mr. Rees served as the General Manager of Transmission for the broadcast transmission division of the BBC.

GEORGE E. REESE has been the Chief Financial Officer and Secretary of CTSH and each of its wholly owned subsidiaries since February 1997. He was elected as a director of CTSH and each of its wholly owned subsidiaries in May 1997. Since April 1995, Mr. Reese has served as President of Tatinvest, Inc. and as a principal with Tatinvest, L.L.C., affiliates of Reese Ventures, Inc., an international investment consulting firm which he established in 1995. From 1972 to 1995, Mr. Reese was employed by Ernst & Young, L.L.P. where he was named Partner In Charge of the Houston office's energy department and was appointed Managing Partner of the firm's operations in the former Soviet Union. Mr. Reese was a founder of the Council on Foreign Investment in Russia and was a founding member of the American Chamber of Commerce in Russia.

MICHEL AZIBERT is expected to be elected as a director of the Company upon consummation of the Roll-Up. Mr. Azibert has been International Director of TdF Parent since 1989 and Chief Executive Officer of TdF since 1994. Mr. Azibert took an active role in the preparation of the Media Law enacted in France in 1986. Pursuant to the Governance Agreement, Mr. Azibert is expected to be one of the two directors elected by the holders of the Class A Common Stock.

BRUNO CHETAILE is expected to be elected as a director of the Company upon consummation of the Roll-Up. Mr. Chetaille has been Chairman and Chief Executive Officer of TdF Parent since 1992. Prior to 1992, Mr. Chetaille was a technical advisor to the President of the French Republic for four years. Pursuant to the Governance Agreement, Mr. Chetaille is expected to be one of the two directors elected by the holders of the Class A Common Stock.

ROBERT A. CROWN founded the Crown Business in 1980 and has been the President since its inception. Mr. Crown is the Chief Executive Officer of Crown Communication and was elected as a director of the Company in August 1997. Mr. Crown has been responsible for the initial construction in Pittsburgh of the Cellular One system, as well as a substantial portion of the Bell Atlantic Mobile system in Pittsburgh. He also negotiated one of the first complete end-to-end build-outs for Nextel for the Pittsburgh MTA. Pursuant to the Stockholders Agreement, Mr. Crown was the nominee of the Crown Parties for election as a director of the Company. Mr. Crown is a director and officer of CCI and each of its wholly owned subsidiaries.

CARL FERENBACH was elected as the Chairman of the Board of Directors of the Company in April 1997. Since its founding in 1986, Mr. Ferenbach has been a Managing Director of Berkshire Partners LLC, a private equity investment firm that manages four investment funds with approximately \$750.0 million of capital. Mr. Ferenbach has also served as: a Managing Director of Berkshire Investors LLC ("Berkshire Investors") since its formation in 1996; a Managing Director of Third Berkshire Managers LLC ("Third Berkshire Managers"), the general partner of Third Berkshire Associates Limited Partnership ("Third Berkshire Associates"), the general partner of Berkshire Fund III, A Limited Partnership (Berkshire Fund III), since its formation in 1997 (and was previously an individual general partner of Berkshire Fund III since its formation in 1992); and a Managing Director of Fourth Berkshire Associates LLC ("Fourth Berkshire Associates") the general partner of Berkshire Fund IV, Limited Partnership ("Berkshire Fund IV, collectively with Berkshire Fund III and Berkshire Investors, the "Berkshire Group") since formation in 1996. In addition, Mr. Ferenbach serves as the Chairman of the Board of Directors of CTI, and currently serves on the Board of Directors of Wisconsin Central Transportation Corporation, Tranz Rail Limited, English, Welsh & Scottish Railway Limited, Australian Transport Network Limited and U.S. Can Corporation. Pursuant to the Stockholders Agreement, Mr. Ferenbach was the nominee of Berkshire Group for election as a director of the Company.

RANDALL A. HACK was elected as a director of the Company in February 1997. Since January 1995, Mr. Hack has been a member of Nassau Capital L.L.C., an investment management firm. From 1990 to 1994, he was the President and Chief Executive Officer of Princeton University Investment Company, which manages the endowment for Princeton University. Mr. Hack also serves on the Board of Directors of several private companies. Pursuant to the Stockholders Agreement, Mr. Hack was the nominee of Nassau Group for election as a director of the Company.

EDWARD C. HUTCHESON, JR. has been a director of the Company since 1995, was the Chief Executive Officer of the Company from its inception to October 1996 and was the Chairman of the Board of Directors of the Company from its inception to March 1997. Mr. Hutcheson co-founded CTC in 1994. Since 1997, Mr. Hutcheson has been a principal with HWG Capital, an affiliate of the Houston investment banking firm of Harris Webb & Garrison. During 1994, he was involved in private investment activities leading to the creation of the Company. From 1990 to 1993, he was the President, Chief Operating Officer and a director of Baroid Corporation ("Baroid"), a company engaged the petroleum services business. Mr. Hutcheson also serves on the Board of Directors of Trico Marine Services and Titanium Metals Corporation ("Timet").

J. LANDIS MARTIN was elected as a director of the Company in 1995. Mr. Martin has been Chairman of Timet since 1987 and Chief Executive Officer of Timet since January 1995. Mr. Martin has served as President

and Chief Executive Officer of NL Industries, Inc. ("NL"), a manufacturer of specialty chemicals, since 1987 and as a director of NL since 1986. Mr. Martin has served as Chairman of Tremont Corporation ("Tremont") since 1990 and as Chief Executive Officer and a director of Tremont since 1988, a holding company which primarily owns stock in Timet and NL. From 1990 until its acquisition by Dresser Industries, Inc. ("Dresser") in 1994, Mr. Martin served as Chairman of the Board and Chief Executive Officer of Baroid. In addition to Tremont and NL, Mr. Martin is a director of Dresser, which is engaged in the petroleum services, hydrocarbon processing and engineering industries, and Apartment Investment Management Corporation, a real estate investment trust.

ROBERT F. MCKENZIE was elected as a director of the Company in 1996. From 1990 to 1994, Mr. McKenzie was the Chief Operating Officer and a director of OneComm, Inc., a mobile communications provider that he helped found in 1990. From 1980 to 1990, he held general management positions with Northern Telecom, Inc. and was responsible for the marketing and support of its Meridian Telephone Systems and Distributed Communications networks to businesses throughout the western United States. Mr. McKenzie also serves on the Board of Directors of Centennial Communications Corporation.

WILLIAM A. MURPHY is expected to be elected as a director of the Company upon consummation of the Roll-Up. Mr. Murphy has been a Director of Mergers & Acquisitions at Salomon Smith Barney since 1997. From 1990 to 1997, Mr. Murphy held various positions in Mergers & Acquisitions with Salomon Smith Barney.

JEFFREY H. SCHUTZ was elected as a director of the Company in 1995. Mr. Schutz has been a General Partner of Centennial Fund IV and Centennial Fund V, each a venture capital investing fund, since 1994 and 1996, respectively. Mr. Schutz also serves on the Board of Directors of Preferred Networks, Inc. and several other private companies. Pursuant to the Stockholders Agreement, Mr. Schutz was the nominee of Centennial Group for election as a director of the Company.

BOARD COMMITTEES

The Company's Board of Directors has an Executive Committee, a Compensation Committee, a Finance and Audit Committee and a Nominating and Corporate Governance Committee. The Executive Committee, composed of Messrs. Azibert, Crown, Ferenbach, Hack, Miller and Schutz, acts in lieu of the full Board in emergencies or in cases where immediate and necessary action is required and the full Board cannot be assembled. The Compensation Committee, to be composed of Messrs. Ferenbach, Martin, McKenzie and Schutz, establishes salaries, incentives and other forms of compensation for executive officers and administers incentive compensation and benefit plans provided for employees. The Finance and Audit Committee, to be composed of Messrs. Hack, Hutcheson, McKenzie and Murphy, reviews the Company's audit policies and oversees the engagement of the Company's independent auditors, as well as developing financing strategies for the Company and approving outside suppliers to implement these strategies. The Nominating and Corporate Governance Committee, to be composed of Messrs. Azibert, Hutcheson, Martin and Miller, is responsible for nominating new Board members and for an annual review of Board performance. Pursuant to the Governance Agreement, the holders of the Class A Common Stock have the right to appoint at least one member to each of the Executive and Nominating and Corporate Governance Committees.

DIRECTORS' COMPENSATION AND ARRANGEMENTS

All non-management directors of the Company receive compensation for their service as directors (\$15,000 and options for 5,000 shares of Common Stock per year), and are reimbursed for expenses incidental to attendance at such meetings. In September 1997, CCIC's Board of Directors approved a fee of \$150,000 per annum to the Berkshire Group (half of which is to be paid by CTI) for general consulting services and for the services of Mr. Ferenbach as Chairman of the Board. In addition, Mr. McKenzie received approximately \$10,000 in 1996 for specific consulting assignments requested by the Chief Executive Officer. Messrs. Ferenbach and Schutz are indemnified by the respective entities which they represent on CCIC's Board of Directors.

EXECUTIVE COMPENSATION

The following table sets forth the cash and non-cash compensation paid by or incurred on behalf of the Company to its Chief Executive Officer and the four other executive officers (collectively, the "named executive officers") for each of the three years ended December 31, 1997.

SUMMARY COMPENSATION TABLE

NAME AND PRINCIPAL POSITION	YEAR	ANNUAL COMPENSATION		LONG TERM COMPENSATION AWARDS	ALL OTHER COMPENSATION (\$)
		SALARY (\$)	BONUS (\$)	NUMBER OF SECURITIES UNDERLYING OPTIONS/ SARS (#)(A)	
Ted B. Miller, Jr..... Chief Executive Officer and Vice Chairman of the Board of Directors	1997	\$281,575	\$ 626,250	625,000	\$ --
	1996	152,600	75,000	--	--
	1995	146,154	--	345,000	--
David L. Ivy..... President and Director	1997	200,000	300,000	250,000	--
	1996	37,500(b)	--	175,000	35,000(c)
	1995	--	--	--	--
Charles C. Green, III.... Executive Vice President and Chief Financial Officer	1997	75,000(d)	--	250,000	--
	1996	--	--	--	--
	1995	--	--	--	--
John L. Gwyn..... Executive Vice President	1997	160,424(e)	--	225,000	--
	1996	--	--	--	--
	1995	--	--	--	--
Robert A. Crown..... Director and Chief Executive Officer of Crown Communication	1997	109,961(f)	--	--	--
	1996	--	--	--	--
	1995	--	--	--	--

- (a) All awards are for options to purchase the number of shares of Common Stock indicated.
- (b) Mr. Ivy began working for CCIC on October 1, 1996, at an annual salary of \$150,000.
- (c) Mr. Ivy worked as a consultant to CCIC from May 1996 to September 1996 before joining the Company as an employee in October 1996.
- (d) Mr. Green began working for CCIC on September 1, 1997, at an annual salary of \$225,000.
- (e) Mr. Gwyn began working for CCIC on February 3, 1997, at an annual salary of \$175,000.
- (f) Mr. Crown began working for the Company upon consummation of the Crown Merger on August 15, 1997, at an annual salary of \$275,000.

OPTION/SAR GRANTS IN LAST FISCAL YEAR

NAME	INDIVIDUAL GRANTS				POTENTIAL REALIZABLE VALUE AT ASSUMED ANNUAL RATES OF STOCK PRICE APPRECIATION FOR OPTION TERM (A)	
	NUMBER OF SECURITIES UNDERLYING OPTIONS/ SARS GRANTED (#)	% OF TOTAL OPTIONS/ SARS GRANTED TO EMPLOYEES IN FISCAL YEAR	EXERCISE OR BASE PRICE (\$/SH)	EXPIRATION DATE	5% (\$)	10% (\$)
Ted B. Miller, Jr.....	625,000	20.5%	\$4.20	5/31/07	\$1,650,848	\$4,183,574
David L. Ivy.....	250,000	8.2	4.20	5/31/07	660,339	1,673,430
Charles C. Green, III...	250,000	8.2	4.20	8/3/07	660,339	1,673,430
John L. Gwyn.....	225,000	7.4	4.20	5/31/07	594,305	1,506,087
Robert A. Crown.....	--	--	--	--	--	--

- (a) The potential realizable value assumes a per-share market price at the time of the grant to be approximately equal to the exercise price with an assumed rate of appreciation of 5% and 10%, respectively, compounded annually for 10 years.

The following table details the December 31, 1997 year end estimated value of each named executive officer's unexercised stock options. All unexercised options are to purchase the number of shares of Common Stock indicated.

AGGREGATED OPTION/SAR EXERCISES IN LAST FISCAL YEAR
AND YEAR-END OPTION/SAR VALUES

NAME	SHARES ACQUIRED ON EXERCISE (#)	VALUE REALIZED (\$)	NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS/ SARS AT YEAR-END (#)		VALUE OF UNEXERCISED IN-THE- MONEY OPTIONS/ SARS AT YEAR-END (\$)	
			EXERCISABLE (E)/ UNEXERCISABLE (U)(A)	UNEXERCISABLE (U)(A)	EXERCISABLE (E)/ UNEXERCISABLE (U)(B)	UNEXERCISABLE (U)(B)
Ted B. Miller, Jr.....	--	--	407,500(E)		\$2,659,010(E)	
			562,500(U)		1,860,750(U)	
David L. Ivy.....	--	--	68,750(E)		306,175(E)	
			356,250(U)		1,414,725(U)	
Charles C. Green, III...	--	--	-- (E)		-- (E)	
			250,000(U)		827,000(U)	
John L. Gwyn.....	--	--	-- (E)		-- (E)	
			225,000(U)		744,300(U)	
Robert A. Crown.....	--	--	-- (E)		-- (E)	
			-- (U)		-- (U)	

(a) Fifty percent of the options to purchase Common Stock granted in 1994, 1995 and 1996 become exercisable at 10% per year from the date of grant. The other fifty percent of the options vest upon achievement of a stated internal rate of return.

(b) The estimated value of exercised in-the-money stock options held at the end of 1997 assumes a per-share fair market value of \$7.50 and per-share exercise prices of \$.40, \$2.40 and \$4.20, as applicable.

Severance Agreements

The Company has entered into severance agreements (the "Severance Agreements") with Messrs. Miller, Ivy, Green, Gwyn, Rees and Reese (the "Executives"). Pursuant to the Severance Agreements, the Company is required to provide severance benefits to the Executives if they are terminated by the Company without Cause (as defined in the Severance Agreements) or the Executives terminate with Good Reason (as defined in the Severance Agreements) (collectively, a "Qualifying Termination"). The Severance Agreements provide for enhanced severance benefits if the Executives incur a Qualifying Termination within the two-year period following a Change in Control (as defined in the Severance Agreements) of the Company (the "Change in Control Period"). Upon a Qualifying Termination that does not occur during the Change in Control Period, an eligible Executive is entitled to (i) a lump sum payment equal to two times the sum of his base salary and annual bonus, (ii) continued coverage under specified welfare benefit programs for two years and (iii) immediate vesting of any outstanding options and restricted stock awards. Upon a Qualifying Termination during the Change in Control Period, an eligible Executive is entitled to (i) receive a lump sum payment equal to three times the sum of his base salary and annual bonus, (ii) continued coverage under specified welfare benefit programs for three years and (iii) immediate vesting of any outstanding options and restricted stock awards.

Crown Arrangements

In connection with the implementation of a management transition at CCI intended to develop and promote the existing management team of CCI and to reduce the dependence on Mr. Crown for day-to-day management at CCI, the Company and Mr. Crown have entered into a Memorandum of Understanding and a related Services Agreement with respect to, among other things, the sale by the Crown Parties of Common Stock in the Offering, the management transition at CCI, continuing service by a designee of the Crown Parties on the Company's Board of Directors and compensation and severance arrangements for Mr. Crown following such time as a successor President and Chief Executive Officer of CCI is appointed. Pursuant to the Services Agreement, Mr. Crown has agreed to continue to serve in a consulting capacity to (and as Chairman of) CCI for a two-year period following the appointment of his successor, and the Company has agreed, for such two-year period, to pay Mr. Crown cash compensation of \$300,000 annually, along with certain executive prerequisites. At the end of

such two-year period, the Company will pay Mr. Crown a severance benefit of \$300,000. The Company also agreed to vest all of Mr. Crown's existing stock options, to immediately grant Mr. Crown options to purchase 50,000 shares of Common Stock at \$7.50 per share and, upon the closing of the Offering, to grant Mr. Crown options to purchase 625,000 shares of Common Stock at the price to the public in the Offering.

Stock Option Plans

1995 Stock Option Plan

The Company has adopted the 1995 Stock Option Plan, which was reamended on July 1, 1998 (the "1995 Stock Option Plan"). The purpose of the 1995 Stock Option Plan is to advance the interests of the Company by providing additional incentives and motivations which help the Company to attract, retain and motivate employees, directors and consultants. The description set forth below summarizes the general terms of the 1995 Stock Option Plan and the options granted pursuant to the 1995 Stock Option Plan.

Pursuant to the 1995 Stock Option Plan, the Company can grant options to purchase up to 18,000,000 shares of Common Stock. Options granted under the 1995 Stock Option Plan may either be incentive stock options ("ISOs") under Section 422 of the Code or nonqualified stock options. The price at which a share of Common Stock may be purchased upon exercise of an option granted under the 1995 Stock Option Plan will be determined by the Board of Directors and, in the case of nonqualified stock options, may be less than the fair market value of the Common Stock on the date that the option is granted. The exercise price may be paid in cash, in shares of Common Stock (valued at fair market value at the date of exercise), in option rights (valued at the excess of the fair market value of the Common Stock at the date of exercise over the exercise price) or by a combination of such means of payment, as may be determined by the Board.

Employees, directors or consultants of the Company (including its subsidiaries and affiliates) are eligible to receive options under the 1995 Stock Option Plan (although only certain employees are eligible to receive ISOs). The 1995 Stock Option Plan is administered by the Board and the Board is authorized to interpret and construe the 1995 Stock Option Plan. Subject to the terms of the 1995 Stock Option Plan, the Board is authorized to select the recipients of options from among those eligible, to establish the number of shares that may be issued under each option and to take any actions specifically contemplated or necessary or advisable for the administration of the 1995 Stock Option Plan.

No options may be granted under the 1995 Stock Option Plan after July 31, 2005, which is ten years from the date the 1995 Stock Option Plan was originally adopted and approved by the Board and stockholders of the Company. The 1995 Stock Option Plan will remain in effect until all options granted under the 1995 Stock Option Plan have been exercised or expired. The Board, in its discretion, may terminate the 1995 Stock Option Plan at any time with respect to any shares of Common Stock for which options have not been granted. The 1995 Stock Option Plan may be amended by the Board without the consent of the stockholders of the Company, other than as to a material increase in benefits, an increase in the number of shares that may be subject to options under the 1995 Stock Option Plan or a change in the class of individuals eligible to receive options under the 1995 Stock Option Plan. However, no change in any option previously granted under the 1995 Stock Option Plan may be made which would impair the rights of the holder of such option without the approval of the holder.

Pursuant to the 1995 Stock Option Plan, options are exercisable during the period specified in each option agreement; provided, however, that no option is exercisable later than ten years from the date the option is granted. Options generally have been exercisable over a period of ten years from the grant date and vested in equal installments over a four or five year period of service with the Company as an employee, director or consultant. A change in control generally accelerates the vesting of options granted to employees and some of the options vest upon an initial public offering or the achievement of specific business goals or objectives. An option generally must be exercised within 12 months of a holder ceasing to be involved with the Company as an employee, director or consultant as a result of death and within three months if the cessation is for other reasons; however, these periods can be extended by decision of the Board of Directors (other than in the case of an ISO). Shares of Common Stock subject to forfeited or terminated options again become available for option awards.

The Board may, subject to certain restrictions in the 1995 Stock Option Plan (and, in the case of an ISO, in Section 422 of the Code), extend or accelerate the vesting or exercisability of an option or waive restrictions in an option agreement.

The 1995 Stock Option Plan provides that the total number of shares covered by the 1995 Stock Option Plan, the number of shares covered by each option, and the exercise price per share under each option will be proportionately adjusted in the event of a recapitalization, stock split, dividend, or a similar transaction.

No grant of any option will constitute realized taxable income to the grantee. Upon exercise of a nonqualified option, the holder will recognize ordinary income in an amount equal to the excess of the fair market value of the stock received over the exercise price paid therefor and the tax basis in any shares of Common Stock received pursuant to the exercise of such option will be equal to the fair market value of the shares on the exercise date if the exercise price is paid in cash. The Company will generally have a deduction in parity with the amount realized by the holder. The Company has the right to deduct and withhold applicable taxes relating to taxable income realized by the holder upon exercise of a nonqualified option and may withhold cash, shares or any combination in order to satisfy or secure its withholding tax obligation. An ISO is not subject to taxation as income to the employee at the date of grant or exercise and the Company does not get a business deduction as to an ISO; provided, the stock is not sold within two years after the ISO was granted and one year after the ISO was exercised. The ISO is effectively taxed at capital gain rates upon the sale of the stock by the employee. However, if the stock acquired upon exercise of an ISO is sold within two years of the ISO grant date or one year exercise of the date, then it is taxed the same as a Nonqualified Option. Upon the exercise of an ISO, the difference between the value of the stock and the exercise price is recognized as a preference item for alternative minimum tax purposes.

As of July 15, 1998, options to purchase a total of 12,450,615 shares of Common Stock have been granted. Options for 363,125 shares of Common Stock have been exercised, options for 162,500 shares have been forfeited and options for 11,924,990 shares remain outstanding. The outstanding options are for (i) 345,000 shares with an exercise price of \$0.40 per share, (ii) 93,750 shares with an exercise price of \$1.20 per share, (iii) 50,000 shares with an exercise price of \$1.60 per share, (iv) 175,000 shares with an exercise price of \$2.40 per share, (v) 1,680,625 shares with an exercise price of \$4.20 per share, (vi) 23,135 shares with an exercise price of \$4.76 per share, (vii) 200,000 shares with an exercise price of \$6.00 per share, (viii) 5,767,480 shares with an exercise price of \$7.50 per share and (ix) 3,590,000 shares with an exercise price equal to the price in the Offering. The options exercisable at \$0.40 per share are fully vested and held by Ted B. Miller, Jr. Upon consummation of the Offering, vested and exercisable options also include options for (i) 63,750 shares at \$1.20 per share, (ii) 50,000 shares at \$1.60 per share, (iii) 175,000 shares at \$2.40 per share, (iv) 1,483,625 shares at \$4.20 per share, (v) 23,125 shares at \$4.76 per share, (vi) 200,000 shares at \$6.00 per share, (vii) 2,704,480 shares at \$7.50 per share and (viii) 75,000 shares at the price in the Offering. Except for the options for 23,125 shares with an exercise price of \$4.76 per share and options for 3,036,250 shares with an exercise price of \$7.50, the exercise prices for all of the options were equal to or in excess of the estimated fair value of the Common Stock at the dates on which the numbers of shares and the exercise prices were determined; as such, in accordance with the "intrinsic value based method" of accounting for stock options, the Company did not recognize compensation cost related to the grant of these options. The options for 23,125 shares with an exercise price of \$4.76 were issued in 1998 in exchange for services received from nonemployees; as such, the Company will account for the issuance of these options in 1998 based on the fair value of the services received. Options for 3,036,250 shares granted at an exercise price of \$7.50 per share (which is below the estimated fair market value at the date of grant) are included in the group of options vesting upon consummation of the Offering. The Company will account for these options in 1998 based upon the fair market value of services received. The remaining options for 2,731,230 shares granted at an exercise price of \$7.50 per share (which is below the estimated fair market value at the date of grant) were granted in 1998 and generally are taken into account and vest over five years. See "Management's Discussion and Analysis of Financial Condition and Results of Operations--Compensation Charges Related to Stock Option Grants".

Since January 1, 1998, the Company has granted to its executive officers and directors options for a total of 2,545,500 shares at an exercise price of \$7.50 under the 1995 Stock Option Plan. Mr. Miller received options for

928,000 shares, Mr. Ivy received options for 560,000 shares, Mr. Green received options for 425,000 shares, Mr. Gwyn received options for 75,000 shares, Mr. Crown received options for 137,500 shares and Messrs. Hutcheson, Martin and McKenzie each received 25,000 shares.

CTSH Stock Option Plans

CTSH has established certain stock option plans for the benefit of its employees (the "CTSH Stock Option Plans"). Upon consummation of the Roll-Up, all of the outstanding options to purchase shares of capital stock of CTSH ("CTSH Options") granted pursuant to the CTSH Stock Option Plans will be converted into and replaced by options to purchase shares of the Company's Common Stock ("CCIC Options"). The Company's Board of Directors has adopted each of the CTSH Option Plans. Options granted under the CTSH Stock Options Plans may be adjusted at the discretion of the Company or, in the case of options granted under the CTSH Share Bonus Plan (as defined), the CTSH Trustee (as defined) to take into account any variation of the share capital of the Company subject to the written confirmation of the auditors of the Company that the adjustment in their opinion is fair and reasonable. The description set forth below summarizes the general terms of each of the various plans that constitute the CTSH Stock Options Plans.

CTSH All Employee Share Option Scheme. All outstanding options granted pursuant to the Castle Transmission Services (Holdings) Ltd. All Employee Share Option Scheme (the "CTSH All Employee Plan") vest upon the consummation of the Offering. Once vested, these options may only be exercised in full and on one occasion. Outstanding options granted pursuant to the CTSH All Employee Plan will lapse if not exercised by the earlier of (i) the first anniversary of the option holder's death, (ii) six months following the termination of the option holder's employment with the Company, (iii) six months following the earlier of (a) a change of control of the Company, (b) the sanctioning by the U.K. courts of a compromise or arrangement pursuant to U.K. Companies Act 1985 section 425 that affects the Common Stock of the Company, (c) a person becoming bound or entitled to acquire the Common Stock of the Company under U.K. Companies Act 1985 sections 428-430 or (d) notice of a general meeting of the stockholders of the Company at which a resolution will be proposed for the purpose of a voluntary winding-up of the Company (each of the foregoing, a "Corporate Event"), (iv) the option holder being adjudicated bankrupt under U.K. law, (v) the surrender of the option or (vi) the seventh anniversary of the grant. There are currently outstanding options to purchase 285,250 shares of Common Stock at a price of (Pounds)1.43 per share, of which an initial refundable deposit of (Pounds)0.715 per share has already been paid by each participant. No additional options will be granted under the CTSH All Employee Plan in the future.

CTSH Management Plan. All outstanding options granted pursuant to the Castle Transmission Services (Holdings) Ltd. Unapproved Share Option Scheme (the "CTSH Management Plan") will vest on the earlier of (i) March 1, 2000 or, if the option holder was not an Eligible Employee (as defined in the CTSH Management Plan) on March 1, 1997, the third anniversary of the date on which the option was granted, (ii) the death of the option holder, (iii) the termination of the option holder's employment with the Company (other than a termination for cause, or the voluntary resignation of the option holder), (iv) a Corporate Event or (v) the sale of the subsidiary or business of the Company in which the option holder is employed. Once vested, these options may be exercised in whole or in part at the discretion of the option holder prior to the lapsing of the option. All options granted pursuant to the CTSH Management Plan will lapse on the earlier of (i) the first anniversary of the option holder's death, (ii) six months after the termination of the option holder's employment with the Company (other than a termination for cause, or the voluntary resignation of the option holder), (iii) immediately upon any other termination of employment, (iv) six months following a Corporate Event, (v) the option holder being adjudicated bankrupt under U.K. law, (vi) the surrender of the option, (vii) failure to satisfy any performance condition established by the board of directors of CTI or (viii) the seventh anniversary of the grant of the option. Currently, there are outstanding options to purchase 1,649,844 shares of Common Stock at prices ranging from (Pounds)1.43 to (Pounds)6.04 per share. No additional options will be granted under the CTSH Management Plan in the future.

CTSH Bonus Share Plan. In connection with the Castle Transmission Services (Holdings) Ltd. Bonus Share Plan (the "CTSH Bonus Share Plan"), CTSH has executed the Employee Benefit Trust (the "CTSH

Trust"), a discretionary settlement for the benefit of past and present CTI employees, directors and their families. CTI employees and directors are able to participate in the CTSB Bonus Share Plan by foregoing a portion of their annual bonuses awarded by the Company in consideration for options to purchase shares of the Company's Common Stock held by the CTSB Trust at predetermined prices per share depending upon the year in which the investment is made. The predetermined price for 1997 investment was (Pounds)13.00 per share, and the CTI board has determined that the predetermined price for any investment in 1998 and 1999 will be (Pounds)16.90 and (Pounds)21.97 respectively.

All outstanding options granted pursuant to the CTSB Bonus Share Plan are vested and may be exercised in whole or in part at the discretion of the option holder prior to the lapsing of the option. All options will lapse on the earlier of (i) the first anniversary of the option holder's death, (ii) six months after the termination of the option holder's employment with the Company, (iii) six months following a Corporate Event, (iv) the option holder being adjudicated bankrupt under U.K. law, (v) the surrender of the option or (vi) the seventh anniversary of the grant of the option. In order to satisfy the demand created by the exercise of options granted pursuant to the CTSB Bonus Share Plan, the CTSB Trustee has been granted a call option by the Company ("the U.K. Option Agreement") to purchase up to 149,709 shares of Common Stock from the Company at a price of (Pounds)1.86 per share, the funds for which are to be contributed to the CTSB Trust by CTSB (which has already provided for such payment in its financial statements). Currently there are outstanding options to purchase 149,709 shares of Common Stock from the CTSB Trustee for a nominal sum upon exercise. Following the Offering, CTI employees and directors will continue to be able to effectively invest a proportion of their annual bonuses in Common Stock of the Company under the CTSB Bonus Share Plan for the fiscal years 1998 and 1999. Thereafter, no additional options will be granted under the CTSB Share Bonus Plan. Grants under the CTSB Bonus Share Plan are determined by converting monetary awards into options to purchase shares at predetermined prices.

CTSB Option Grants to Certain Executives. In January and April of 1998, CTSB granted options to purchase a total of 300,000 ordinary shares and 299,700,000 preference shares of CTSB to Ted B. Miller, Jr., David L. Ivy and George E. Reese. Upon consummation of the Offering, these options will vest in full and convert into options to purchase 1,890,000 shares of the Company's Common Stock at an exercise price of (Pounds)1.43 and 210,000 shares of the Company's Common Stock at an exercise price of (Pounds)3.57.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

1995 INVESTMENTS

On January 11, 1995, Ted B. Miller, Jr. and Edward C. Hutcheson, Jr. (collectively, the "Initial Stockholders") acquired 1,350,000 shares of CTC Class A Common Stock, par value \$.01 per share, for \$270,000. Also, on January 11, 1995, pursuant to a Securities Purchase and Loan Agreement, dated as of January 11, 1995, among CTC, Centennial Fund IV, Berkshire Fund III, A Limited Partnership (via Berkshire Fund III Investment Corp.), and certain trusts and natural persons which are now members of Berkshire Investors LLC (collectively, the "Berkshire Fund III Group") and J. Landis Martin (collectively, the "CTC Purchasers"), CTC issued to the CTC Purchasers (i) 1,350,000 shares of CTC Class B Common Stock, par value \$.01 per share, for \$270,000, (ii) 730,380 shares of CTC Series A Convertible Preferred Stock, par value \$.01 per share, for \$4,382,280 and (iii) \$3,867,720 principal amount of CTC Convertible Secured Subordinated Notes for \$3,867,720. As of February 1997, all the CTC Convertible Secured Subordinated Notes had been converted into 644,620 shares of Company Series A Convertible Preferred Stock. The proceeds received on January 11, 1995 were used by the Company for the acquisition of towers and ancillary assets from PCI and for working capital.

Pursuant to a Securities Exchange Agreement (the "Securities Exchange Agreement"), dated as of April 27, 1995, among the Company, CTC, the Initial Stockholders and the CTC Purchasers, such parties effectively made CCIC the holding company of CTC and converted some of the obligations of CTC into capital stock of CCIC. Transactions pursuant to the Securities Exchange Agreement included (i) Centennial Fund IV transferring 208,334 shares of CTC Series A Convertible Preferred Stock to Berkshire Fund III Group in exchange for \$1,250,004 principal amount of CTC Convertible Secured Subordinated Notes, (ii) Berkshire Fund III Group and J. Landis Martin converting all remaining CTC Convertible Secured Subordinated Notes held by them (\$742,452 principal amount) into 123,742 shares of CTC Series A Convertible Preferred Stock, (iii) each of the outstanding shares of capital stock of CTC being exchanged for one share of similar stock of CCIC and (iv) the remaining CTC Convertible Secured Subordinated Notes (\$3,125,268 principal amount) becoming convertible into shares of CCIC Series A Convertible Preferred Stock, par value \$.01 per share ("Series A Convertible Preferred Stock") (all of which notes were subsequently converted in February 1997).

As a result of the exchange of CTC capital stock for CCIC capital stock, each Initial Stockholder received 675,000 shares of Existing Class A Common Stock, par value \$.01 per share, of CCIC, Centennial Fund IV received 1,080,000 shares of Common Stock and 145,789 shares of Series A Convertible Preferred Stock, Mr. Martin received 41,666 shares of Series A Convertible Preferred Stock and Berkshire Fund III Group received 270,000 shares of Common Stock and 666,667 shares of Series A Convertible Preferred Stock. In July 21, 1995, Robert F. McKenzie became a party by amendment to the Securities Exchange Agreement and received 8,333 shares of Series A Preferred Stock.

1996 INVESTMENTS

Pursuant to a Securities Purchase Agreement, dated as of July 15, 1996, among the Company, Berkshire Fund III Group, Centennial Fund IV, J. Landis Martin, Edward C. Hutcheson, Jr. and Robert F. McKenzie, the Company privately placed 864,568 shares of its Series B Convertible Preferred Stock, par value \$.01 per share ("Series B Convertible Preferred Stock"), for an aggregate purchase price of \$10,374,816. Berkshire Fund III Group paid \$6,000,000 for 500,000 shares, Centennial Fund IV paid \$3,724,812 for 310,401 shares, Mr. Martin paid \$500,004 for 41,667 shares, Mr. Hutcheson paid \$99,996 for 8,333 shares and Mr. McKenzie paid \$50,004 for 4,167 shares. The proceeds received on July 15, 1996 were used for (i) the purchase of the towers and microwave and SMR businesses from Motorola in Puerto Rico, (ii) an option payment relating to the acquisition of TEA and TeleStructures and (iii) working capital.

1997 INVESTMENTS

Pursuant to a Securities Purchase Agreement, dated as of February 14, 1997, among the Company, Centennial Fund V and Centennial Entrepreneurs Fund V, L.P. (collectively, the "Centennial Fund V Investors"), Berkshire Fund IV, Limited Partnership (via Berkshire Fund IV Investment Corp.), and certain trusts

and natural persons which are members of Berkshire Investors LLC (collectively, the "Berkshire Fund IV Group" and, together with Berkshire Fund III Group, the "Berkshire Partners Group"), PNC Venture Corp., Nassau Capital Partners II L.P. ("Nassau Capital"), NAS Partners I L.L.C. ("NAS Partners"), Fay, Richwhite Communications Limited ("Fay Richwhite"), J. Landis Martin and Robert F. McKenzie, the Company privately placed 3,529,832 shares of its Series C Convertible Preferred Stock, par value \$.01 per share ("Series C Convertible Preferred Stock"), for an aggregate purchase price of \$74,126,472. Centennial Fund V Investors paid \$15,464,001 for 736,381 shares, Berkshire Fund IV Group paid \$21,809,991 for 1,038,571 shares, PNC Venture Corp. paid \$6,300,000 for 300,000 shares, Nassau Group paid an aggregate of \$19,499,991 for 928,571 shares, Fay Richwhite paid \$9,999,990 for 476,190 shares, Mr. Martin paid \$999,999 for 47,619 shares and Mr. McKenzie paid \$52,500 for 2,500 shares. The proceeds received on February 14, 1997 were used by the Company to fund a portion of its investment in CTI.

In March 1997, Edward C. Hutcheson, Jr. exercised stock options for 345,000 shares of Common Stock. The Company repurchased these shares and 308,435 shares of his Existing Class A Common Stock for \$3,422,118.

In May 1997, in connection with the Company's acquisition of the stock of TeleStructures, TEA and TeleShare, Inc. (the "TEA Companies"), the Company issued 535,710 shares of Common Stock to the shareholders of the TEA Companies: 241,070 shares to Bruce W. Neurohr, 241,070 shares to Charles H. Jones and 53,570 shares to Terrel W. Pugh.

In June 1997, Messrs. Miller and Ivy received special bonuses, related to their services in structuring and negotiating the CTI Investment, including arranging the consortium partners who participated with the Company in the CTI transaction, of \$600,000 and \$300,000, respectively.

In August 1997, Robert A. Crown and Barbara Crown sold the assets of Crown Communications to, and merged CNSI and CMSI with, subsidiaries of the Company. As consideration for these transactions, the Crowns received a cash payment of \$25.0 million, a promissory note of the Company aggregating approximately \$76.2 million, approximately \$2.3 million to pay certain taxes (part of which amount was paid in September 1997 as a dividend to stockholders of record of CNSI on August 14, 1997), and 7,325,000 shares of Common Stock. In addition, the Company assumed approximately \$26.0 million of indebtedness of the Crown Business. The Company repaid the Seller Note in full on October 31, 1997. Robert A. Crown and Barbara Crown are both parties to the Stockholders Agreement and are subject to its restrictions.

Pursuant to a Securities Purchase Agreement, dated as of August 13, 1997, among the Company, American Home Assurance Company ("AHA"), New York Life Insurance Company ("New York Life"), The Northwestern Mutual Life Insurance Company ("Northwestern Mutual"), PNC Venture Corp., J. Landis Martin and affiliates of AHA, the Company privately placed of 292,995 shares of its Senior Convertible Preferred Stock for an aggregate purchase price of \$29,299,500, together with warrants to purchase 585,990 shares of Common Stock at \$7.50 per share (subject to adjustment, including weighted average antidilution adjustments). AHA and its affiliates paid \$15,099,500 for 150,995 shares and warrants to purchase 301,990 shares of Common Stock. New York Life and Northwestern Mutual each paid \$6,000,000 for 60,000 shares and warrants to purchase 120,000 shares of Common Stock. PNC Venture Corp. paid \$2,000,000 for 20,000 shares and warrants to purchase 40,000 shares of Common Stock. Mr. Martin paid \$200,000 for 2,000 and warrants to purchase 4,000 shares of Common Stock. The proceeds received on August 13, 1997 were used by the Company to fund a portion of the Crown Merger and working capital.

Pursuant to a Securities Purchase Agreement, dated as of October 31, 1997, among the Company, Berkshire Partners Group, Centennial Fund V Investors, Nassau Group, Fay Richwhite, Harvard Private Capital Holdings, Inc. ("Harvard"), Prime VIII, L.P. ("Prime") and the prior purchasers of Senior Convertible Preferred Stock (other than affiliates of AHA), an additional 364,500 shares of Senior Convertible Preferred Stock were issued for an aggregate purchase price of \$36,450,000, together with warrants to purchase 729,000 shares of Common

Stock at \$7.50 per share (subject to adjustment, including weighted average antidilution adjustments). Berkshire Partners Group paid \$3,500,000 for 35,000 shares and warrants to purchase 70,000 shares of Common Stock. Centennial V Investors paid \$1,000,000 for 10,000 shares and warrants to purchase 20,000 shares of Common Stock. Nassau Group and Fay Richwhite each paid \$2,500,000 for 25,000 shares and warrants to purchase 50,000 shares of Common Stock. Harvard paid \$14,950,000 for 149,500 shares and warrants to purchase 299,000 shares of Common Stock. Prime paid \$5,000,000 for 50,000 shares and warrants to purchase 100,000 shares of Common Stock. AHA paid \$1,500,000 for 15,000 shares and warrants to purchase 30,000 shares of Common Stock. New York Life paid \$300,000 for 3,000 shares and warrants to purchase 6,000 shares of Common Stock. Northwestern Mutual paid \$4,000,000 for 40,000 shares and warrants to purchase 80,000 shares of Common Stock. PNC Venture Corp. paid \$1,000,000 for 10,000 shares and warrants to purchase 20,000 shares of Common Stock. J. Landis Martin paid \$200,000 for 2,000 shares and warrants to purchase 4,000 shares of Common Stock.

OTHER TRANSACTIONS

Robert J. Coury, a director of Crown Communication, and Crown Communication have entered into a management consulting agreement beginning in October 1997. Pursuant to a Memorandum of Understanding dated July 3, 1998, the compensation payable pursuant to such consulting agreement was increased to \$20,000 per month and Mr. Coury was granted options to purchase 60,000 shares of Common Stock at \$7.50 per share. See "Management--Executive Compensation--Crown Arrangements". In addition, pursuant to a Memorandum of Understanding Regarding Management and Governance of CCIC and Crown Communication, dated as of August 15, 1997, Mr. Coury received options for 75,000 shares of Common Stock. Upon consummation of the Offering, all of these options will have vested. In connection with the Crown Merger, Mr. Coury acted as financial advisor to the Crowns and received a fee for such services, paid by the Crowns.

The Company leases office space in a building formerly owned by its Vice Chairman and Chief Executive Officer. Lease payments for such office space amounted to \$130,000, \$50,000 and \$22,000 for the years ended December 31, 1997, 1996 and 1995, respectively. The amount of space leased increased from 6,497 square feet at \$23.80 per square foot (or \$154,836 in annual rent) to 19,563 square feet at \$16.00 per square foot (or \$313,008 in annual rent) pursuant to a lease agreement effective November 1, 1997. The lease term is for a period of five years with an option to terminate in the third year or to renew at \$18.40 per square foot. The lease also provides the Company a right of first refusal on the entire fifth floor of the building. Interstate Realty Corporation, a company owned by the Company's Vice Chairman and Chief Executive Officer, received a commission of \$62,000 in connection with this new lease.

Crown Communication leases its equipment storage and handling facility in Pittsburgh from Idlewood Road Property Company ("Idlewood"), a Pennsylvania limited partnership. HFC Development Corp., a Pennsylvania corporation owned by Mr. Crown's parents, is the general partner of Idlewood. The annual rent for the property is \$180,000.

On February 28, 1997, CTI and TdF Parent entered into the CTI Services Agreement pursuant to which TdF Parent agreed to provide certain consulting services to CTI in consideration for a minimal annual fee of (Pounds)400,000 (\$670,000) and reimbursement for reasonable out-of-pocket expenses. TdF Parent has agreed to, among other things, provide the services of ten executives or engineers to CTI on a part-time basis and to provide a benchmarking review of CTI. In addition, TdF Parent has agreed to provide additional services relating to research, development and professional training on terms (including as to price) to be determined.

Upon consummation of the Offering, the term of the CTI Services Agreement is expected to be extended for four additional years (to February 28, 2004) and thereafter will be terminable on 12-month's prior notice given by CTI to TdF after February 28, 2003.

PRINCIPAL AND SELLING STOCKHOLDERS

The table below sets forth, after giving effect to the Roll-Up, certain information with respect to the beneficial ownership of Capital Stock by (i) each person who is known by the Company to be the beneficial owner of more than 5% of any class or series of Capital Stock of the Company, (ii) each of the directors and executive officers of the Company and all directors and executive officers as a group and (iii) each of the Selling Stockholders. This table also gives effect to shares that may be acquired pursuant to options and warrants, as described in the footnotes below.

EXECUTIVE OFFICERS AND DIRECTORS(A)	TITLE OF CLASS	SHARES BENEFICIALLY OWNED PRIOR TO THE OFFERING		NUMBER OF SHARES OFFERED	SHARES BENEFICIALLY OWNED AFTER THE OFFERING		PERCENTAGE OF TOTAL VOTING POWER AFTER THE OFFERING(C)
		NUMBER(B)	PERCENT		NUMBER(B)	PERCENT(C)	
Ted B. Miller, Jr.	Common Stock(d)	4,051,125	5.5%	--(e)	4,051,125	4.0%	3.6%
David L. Ivy.....	Common Stock(f)	1,380,000	1.9	--(e)	1,380,000	1.4	1.3
Charles C. Green, III...	Common Stock(g)	675,000	1.0	--(e)	675,000	*	*
John L. Gwyn.....	Common Stock(h)	132,500	*	--(e)	132,500	*	*
Robert A. Crown(i).....	Common Stock	7,462,500	10.6	3,750,000	3,712,500	3.8	3.9
Michel Azibert(j).....	Common Stock	50,000	*	--	50,000	*	*
Carl Ferenbach(k).....	Common Stock(l)	20,735,455	29.5	--	20,735,455	21.2	19.0
Garth A. Greimann(m)....	Common Stock(n)	20,710,455	29.4	--	20,710,455	21.2	18.9
Randall A. Hack(o).....	Common Stock(p)	5,080,080	7.2	--	5,080,080	5.2	4.7
David C. Hull, Jr.(q)...	Common Stock(r)	9,812,040	13.9	--	9,812,040	10.0	9.0
Edward C. Hutcheson, Jr.(s).....	Common Stock(t)	650,000	1.0	--	650,000	*	*
J. Landis Martin(u)....	Common Stock(v)	836,035	1.2	--	836,035	1.0	*
Robert F. McKenzie(w)...	Common Stock(x)	197,500	*	--	198,500	*	*
William A. Murphy(y)....	Common Stock	--	--	--	--	--	--
Jeffrey H. Schutz(z)....	Common Stock(aa)	9,837,040	14.0	--	9,837,040	10.1	9.0
Directors and Executive Officers as a group (13 persons total).....	Common Stock(bb)	51,087,235	72.5	3,750,000	47,337,235	48.5	43.3
BERKSHIRE(cc) Berkshire Fund III, A Limited Partnership....	Common Stock(dd)	6,095,450	8.7	--	6,095,450	6.2	5.6
Berkshire Fund IV, Limited Partnership....	Common Stock(ee)	12,996,055	18.5	--	12,996,055	13.3	11.9
Berkshire Investors LLC.....	Common Stock(ff)	1,619,300	2.3	--	1,619,300	1.7	1.5
CANDOVER(gg) Candover Investments, plc.....	Common Stock	2,537,380	3.6	--(e)	2,537,380	2.6	2.3
Candover (Trustees) Limited.....	Common Stock	255	*	--(e)	255	*	*
Candover Partners Limited.....	Common Stock	8,792,565	12.5	--(e)	8,792,565	9.0	8.1
CENTENNIAL(hh) Centennial Fund IV, L.P.(ii).....	Common Stock	5,965,340	8.5	--(e)	5,965,340	6.1	5.5
Centennial Fund V, L.P.(jj).....	Common Stock	3,731,285	5.3	--(e)	3,731,285	3.8	3.4
Centennial Entrepreneurs Fund V, L.P.(kk).....	Common Stock	115,415	*	--(e)	115,415	*	*
NASSAU(ll) Nassau Capital Partners II, L.P.(mm).....	Common Stock	5,023,825	7.1	--(e)	5,023,825	5.1	4.6
NAS Partners I, L.L.C.(nn).....	Common Stock	31,255	*	--(e)	31,255	*	*
Digital Future Investments B.V.(oo)...	Class A Common Stock	11,340,000	100.0	--	11,340,000	100.0	10.4

* Less than 1%.

(a) Except as otherwise indicated, the address of each person in this table is c/o Crown Castle International Corp., 510 Bering Drive, Suite 500, Houston, TX 77057.

(b) In determining the number and percentage of shares beneficially owned by each person, shares that may be acquired by such person pursuant to options, warrants or convertible stock exercisable or convertible within 60 days of the date hereof are deemed outstanding for purposes of determining the total number of outstanding shares for such person and are not deemed outstanding for such purpose for all other stockholders. To the best of the Company's knowledge, except as otherwise indicated, beneficial ownership includes sole voting and dispositive power with respect to all shares.

(c) In determining Percentage of Total Voting Power After the Offering, shares of Common Stock that may be acquired upon conversion of the Class A Common Stock into shares of Common Stock are taken into account.

(footnotes continued from preceding page)

- (d) Includes 175,000 shares of Common Stock received pursuant to the Share Exchange Agreement and options for 2,848,000 shares of Common Stock that will be vested upon consummation of the Roll-Up and the Offering. A trust for the benefit of Mr. Miller's children holds 99,995 shares of Common Stock, and a trust for the benefit of Mr. Miller and his two brothers holds 70,000 shares of Common Stock after the exchange pursuant to the Share Exchange Agreement.
- (e) Messrs. Miller, Ivy, Green, Gwyn, Hutcheson, Martin and McKenzie and Candover Investments, plc, Candover (Trustees) Limited, Candover Partners Limited, Centennial Fund IV, L.P., Centennial Fund V, L.P., Centennial Entrepreneurs Fund V, L.P., Nassau Capital Partners II, L.P. and NAS Partners I, L.L.C. are Selling Stockholders and have granted the U.S. Underwriters an option to purchase 480,535, 174,600, 142,800, 57,300, 78,000, 101,285, 23,700, 202,032, 20,700,083, 476,183, 297,849, 9,213, 401,985 and 2,500 shares of Common Stock, respectively, solely to cover over-allotments. If the U.S. Underwriters over-allotment option is exercised in full, Messrs. Miller, Ivy, Green, Gwyn, Hutcheson, Martin and McKenzie and Candover Investments, plc, Candover (Trustees) Limited, Candover Partners Limited, Centennial Fund IV, L.P., Centennial Fund V, L.P., Centennial Entrepreneurs Fund V, L.P., Nassau Capital Partners II, L.P. and NAS Partners I, L.L.C. will own 3.5%, 1.2%, *, *, *, *, *, 2.3%, *, 8.2%, 5.6%, 3.5%, *, 4.7% and *, respectively, of the Common Stock after consummation of the Offering. In addition, the following table sets forth certain information regarding other stockholders of the Company who have granted the U.S. Underwriters an option to purchase shares of Common Stock solely to cover over-allotments:

BENEFICIAL OWNER(A)	SHARES BENEFICIALLY OWNED BEFORE THE OFFERING	NUMBER OF SHARES OFFERED	SHARES BENEFICIALLY OWNED AFTER THE OFFERING
Tod Bettenhausen.....	75,000	27,000	48,000
Kathy Broussard.....	46,500	16,800	29,700
Bill Cordell.....	123,330	22,000	101,330
Wesley D. Cunningham.....	49,000	17,395	31,605
Angela Dennehy.....	99,165	25,245	73,920
Allyn Easter.....	75,000	21,000	54,000
Martin Ellen.....	99,165	25,245	73,920
Alan Rees.....	304,970	69,215	235,755
George Reese.....	920,000	110,400	809,600
Michael Schueppert.....	80,980	22,730	58,250
Jimmy Taylor.....	25,000	15,000	10,000
Nigel Turner.....	99,165	25,245	73,920
Mark Uminski.....	50,000	15,000	35,000
Ed Wallander.....	50,000	18,000	32,000
John Ward.....	99,165	25,245	73,920
Terry Wing.....	93,775	24,430	69,345
American Home Assurance Company(i)....	2,774,040	220,875	2,553,165
Charlesbank Capital Partners, LLC(ii).....	2,164,745	172,360	1,992,385
Fay, Richwhite Communications Limited(iii).....	2,793,985	222,465	2,571,520
New York Life Insurance Company(iv)...	1,060,180	84,415	975,765
The Northwestern Mutual Life Insurance Company(v).....	1,669,815	132,955	1,536,860
PNC Venture Corp.(vi).....	2,002,765	159,465	1,843,300
Prime VIII, L.P.(vii).....	823,765	65,590	758,175
Win J. Neuger(viii).....	8,420	670	7,750
David B. Pinkerton(ix).....	3,365	270	3,095
Peter F. Smith(x).....	5,050	400	4,650

- (i) American Home Assurance Company's principal business address is 175 Water Street, 24th Floor, New York, NY 10038.
- (ii) Charlesbank Capital Partners, LLC's principal business address is 600 Atlantic Avenue, Boston, MA 02210-2203.
- (iii) Fay, Richwhite Communications Limited's principal business address is 151 Queen Street, Auckland, New Zealand.
- (iv) New York Life Insurance Company's principal business address is 51 Madison Avenue, New York, NY 10010.
- (v) The Northwestern Mutual Life Insurance Company's principal business address is 720 Wisconsin Avenue, Milwaukee, Wisconsin 53802-4797.
- (vi) PNC Venture Corp.'s principal business address is 3150 CNG Tower, 625 Liberty Avenue, Pittsburgh, PA 15222.
- (vii) Prime VIII, L.P.'s principal business address is 600 Congress Avenue, Suite 3000, Austin, TX 78701.
- (viii) Mr. Neuger's principal business address is c/o American Home Assurance Company, 175 Water Street, New York, NY 10038.
- (ix) Mr. Pinkerton's principal business address is c/o American Home Assurance Company, 175 Water Street, New York, NY 10038.
- (x) Mr. Smith's principal business address is c/o American Home Assurance Company, 175 Water Street, New York, NY 10038.

(footnotes continued from preceding page)

- (f) Includes 70,000 shares of Common Stock received pursuant to the Share Exchange Agreement and options for 1,260,000 shares of Common Stock that will vest upon consummation of the Roll-Up and the Offering.
- (g) Represents options for 675,000 shares of Common Stock that will vest upon consummation of the Roll-Up and the Offering.
- (h) Includes options for 130,000 shares of Common Stock that will vest upon consummation of the Roll-Up and the Offering.
- (i) Includes 2,779,375 shares of Common Stock owned by Mr. Crown, 2,589,375 shares of Common Stock owned by his spouse, over which she has sole voting and dispositive power, 125,000 shares of Common Stock that are jointly owned, 915,625 shares of Common Stock owned by a grantor retained annuity trust for Mr. Crown, 915,625 shares of Common Stock owned by a grantor retained annuity trust for Ms. Crown and options for 137,500 shares of Common Stock that will vest upon consummation of the Roll-Up and the Offering. Mr. Crown's principal business address is c/o Crown Communication Inc., 375 Southpointe Blvd., Canonsburg, PA 19317.
- (j) Mr. Azibert's principal business address is c/o TeleDiffusion de France International S.A., 10 Rue d'Oradour sur Glane, 75732 Paris 15 France.
- (k) Mr. Ferenbach's principal business address is c/o Berkshire Partners LLC, One Boston Place, Suite 3300, Boston, MA 02108.
- (l) Represents options for 25,000 shares of Common Stock that will vest upon consummation of the Offering and 20,710,455 shares of Common Stock beneficially owned by members of the Berkshire Group. Mr. Ferenbach disclaims beneficial ownership of such shares, except to the extent of his pecuniary interest therein.
- (m) Mr. Greimann's principal business address is c/o Berkshire Partners LLC, One Boston Place, Suite 3300, Boston, MA 02108.
- (n) Represents shares of Common Stock beneficially owned by members of the Berkshire Group. Mr. Greimann disclaims beneficial ownership of such shares, except to the extent of his pecuniary interest therein.
- (o) Mr. Hack's principal business address is c/o Nassau Capital LLC, 22 Chambers St., Princeton, NJ 08542.
- (p) Represents options for 25,000 shares of Common Stock that will vest upon consummation of the Offering and 5,055,080 shares of Common Stock beneficially owned by members of the Nassau Group. Mr. Hack disclaims beneficial ownership of such shares.
- (q) Mr. Hull's principal business address is c/o The Centennial Funds, 1428 Fifteenth Street, Denver, CO 80202-1318.
- (r) Represents shares of Common Stock beneficially owned by members of the Centennial Group. Mr. Hull disclaims beneficial ownership of such shares, except to the extent of his pecuniary interest therein.
- (s) A trust for the benefit of Mr. Hutcheson's children holds 50,000 shares. Mr. Hutcheson is a limited partner of Centennial Entrepreneurs Fund V, L.P., but disclaims beneficial ownership of the Company's securities directly beneficially held but such fund. Mr. Hutcheson's principal business address is 5599 San Felipe, Suite 301, Houston, TX 77056.
- (t) Includes options for 50,000 shares of Common Stock that will vest upon consummation of the Roll-Up and the Offering.
- (u) A trust for the benefit of Mr. Martin's children holds 30,000 shares. Mr. Martin is a limited partner of each of Centennial Fund IV and Centennial Entrepreneurs Fund V, but disclaims beneficial ownership of the Company's securities directly beneficially held by such funds. Mr. Martin's principal business address is c/o Titanium Metals Corporation, 1999 Broadway, Suite 4300, Denver, CO 80202.
- (v) Includes options for 122,500 shares of Common Stock that will vest upon consummation of the Roll-Up and the Offering, and warrants for 1,600 shares of Common Stock.
- (w) Mr. McKenzie's principal business address is P.O. Box 1133, 1496 Bruce Creek Road, Eagle, CO 81631.
- (x) Includes options for 104,375 shares of Common Stock that will vest upon consummation of the Roll-Up and the Offering.
- (y) Mr. Murphy's principal business address is c/o Salomon Smith Barney, Victoria Plaza, 111 Buckingham Palace Road, London, England.
- (z) Mr. Schutz's principal business address is c/o The Centennial Funds, 1428 Fifteenth Street, Denver, CO 80202-1318. Mr. Schutz is a general partner of each of Centennial Holdings IV, L.P. (which is, in turn, the general partner of Centennial Fund IV, L.P.) ("Holdings IV") and Centennial Holdings V, L.P. (which is, in turn, the general partner of Centennial Fund V, L.P. and Centennial Entrepreneurs Fund V, L.P.) ("Holdings V"). However, neither Mr. Schutz nor any other general partner of either Holdings IV or Holdings V, acting alone, has voting or investment power with respect to the Company's securities directly beneficially held Centennial Fund IV, Centennial Fund V and Centennial Entrepreneurs Fund, and, as a result, Mr. Schutz disclaims beneficial ownership of the Company's securities directly beneficially owned by such funds, except to the extent of his pecuniary interest therein.
- (aa) Represents options for 25,000 shares of Common Stock that will vest upon consummation of the Offering and 9,812,040 shares of Common Stock beneficially owned by members of the Centennial Group. Mr. Schutz disclaims beneficial ownership of such shares.
- (bb) Includes options for 5,402,375 shares of Common Stock that will vest upon consummation of the Roll-Up and the Offering and warrants for 8,000 shares of Common Stock.
- (cc) Berkshire Group has approximately 19.0% of the total voting power of Common Stock. Carl Ferenbach, Chairman of the Board of Directors of the Company and a director of the Company, is a Managing Director of Berkshire Investors; a Managing Director of Third Berkshire Managers the general partner of Third Berkshire Associates, the general partner of Berkshire Fund III; and a Managing Director of Fourth Berkshire Associates, the general partner of Berkshire Fund IV. The principal business address of the Berkshire Group is c/o Berkshire Partners LLC,

One Boston Place, Suite 3300, Boston, MA 02108-4401.

- (dd) Includes warrants for 35,935 shares of Common Stock.
- (ee) Includes warrants for 29,255 shares of Common Stock.
- (ff) Includes warrants for 4,810 shares of Common Stock.
- (gg) Candover Group has approximately 10.4% of the total voting power of Common Stock. G. Douglas Fairservice is a Director of each entity in the Candover Group. The principal business address of Candover Partners is 20 Old Bailey, London EC4M 7LM, United Kingdom.
- (hh) Centennial Group has approximately 8.9% of the total voting power of Common Stock.
- (ii) Holdings IV is the sole general partner of Centennial Fund IV, and, accordingly, Holdings IV may be deemed to control Centennial Fund IV and possess indirect beneficial ownership of the securities of the Company directly beneficially held by Fund IV. The principal business address of Centennial Fund IV and Holdings IV is 1428 Fifteenth Street, Denver, Colorado 80202-1318.

(footnotes continued from preceding page)

- (jj) Holdings V is the sole general partner of Centennial Fund V, and, accordingly, Holdings V may be deemed to control Centennial Fund V and possess indirect beneficial ownership of the securities of the Company directly beneficially held by Centennial Fund V. The Common Stock indicated as held by Centennial Fund V includes 3,880 shares obtainable upon exercise of warrants. The principal business address of Centennial Fund V and Holdings V is 1428 Fifteenth Street, Denver, Colorado 80202-1318.
- (kk) Holdings V is the sole general partner of Centennial Entrepreneurs Fund V, and, accordingly, may be deemed to control Centennial Entrepreneurs Fund V and possess indirect beneficial ownership of the securities of the Company directly beneficially held by Centennial Entrepreneurs Fund V. The Common Stock indicated as held by Centennial Entrepreneurs Fund V includes 120 shares obtainable upon exercise of warrants. The principal business address of Centennial Entrepreneurs V is 1428 Fifteenth Street, Denver, Colorado 80202-1318.
- (ll) Nassau Group has approximately 4.6% of the total voting power of Common Stock. Randall Hack, a director of the Company, is a member of Nassau Capital L.L.C., an affiliate of Nassau Group. The principal business address of Nassau Capital Partners II, L.P. is 22 Chambers Street, Princeton, NJ 08542.
- (mm) Includes warrants for 9,938 shares of Common Stock.
- (nn) Includes warrants for 62 shares of Common Stock.
- (oo) Digital Future Investments B.V. is an affiliate of TeleDiffusion de France International S.A. Upon consummation of the Roll-Up, TdF will retain ownership of 20% of the shares of capital stock of CTSH. Pursuant to the Share Exchange Agreement and subject to certain conditions, TdF will have the right to exchange its shares of capital stock of CTSH for 17,443,500 shares of Class A Common Stock of the Company (which is convertible into 17,443,500 shares of Common Stock). DFI currently has 10.4% of the total voting power of Common Stock. Combined, TdF and DFI would have 22.8% of the Voting Power of Common Stock. The principal business address of DFI is c/o TeleDiffusion de France International S.A., 10 Rue d'Oradour sur Glane, 75732 Paris 15 France.

DESCRIPTION OF CAPITAL STOCK

The following summary does not purport to be complete and is subject to the detailed provisions of, and qualified in its entirety by reference to, the Certificate of Incorporation, the By-laws, the Governance Agreement, the CTSH Shareholders Agreement and the Stockholders' Agreement that will be in effect upon consummation of this Offering, forms of which have been filed as exhibits to this Registration Statement, and to the applicable provisions of the Delaware General Corporation Law (the "DGCL").

GENERAL

Upon consummation of the Roll-Up, the authorized capital stock of the Company will consist of 600,000,000 shares of Common Stock, par value \$.01 per share (the "Common Stock"), 90,000,000 shares of Class A Common Stock, par value \$.01 per share (the "Class A Common Stock"), and 10,000,000 shares of Preferred Stock, par value \$.01 per share. Upon consummation of the Roll-Up, after giving effect to the five-for-one stock split, there will be 97,728,545 shares of Common Stock outstanding and 11,340,000 shares of Class A Common Stock outstanding.

COMMON STOCK

Voting Rights

Each share of Common Stock is entitled to one vote. The Common Stock votes together as a single class on all matters presented for a vote of the stockholders, except as provided under the DGCL. All the outstanding shares of Common Stock are held by directors, executive officers, other employees and affiliates of the Company or its subsidiaries.

Dividends

Each share of Common Stock is entitled to receive dividends if, as and when declared by the Board of Directors out of funds legally available therefor, subject to approval of certain holders of the Senior Convertible Preferred Stock.

Liquidation Rights

In the event of the dissolution of the Company, after satisfaction of amounts payable to creditors and distribution to the holders of outstanding Senior Convertible Preferred Stock, if any, of amounts to which they may be preferentially entitled, holders of Common Stock are entitled to share ratably in the assets available for distribution to the stockholders.

Other Provisions

There are no preemptive rights to subscribe for any additional securities which the Company may issue, and there are no redemption provisions or sinking fund provisions applicable to the Common Stock. All outstanding shares of Common Stock are legally issued, fully paid and nonassessable.

CLASS A COMMON STOCK

Voting Rights

Each share of Class A Common Stock is entitled to one vote for each such share on all matters presented to the stockholders, except with respect to the election of directors. The holders of the shares of Class A Common Stock vote, except as provided under the DGCL, together with the holders of the Common Stock and any other class or series of stock of the Company accorded such general voting rights, as a single class.

So long as TdF is Qualified, holders of shares of Class A Common Stock voting as a separate class have the right to elect two directors to the Board of Directors of the Company; provided, however, that if TdF is not

Qualified, so long as the ownership interest of the TdF Group is at least 5%, holders of Class A Common Stock voting as a separate class have the right to elect one director.

The holders of Class A Common Stock, subject to certain limitations described in "The Roll-Up--Governance Agreement--Governance--Governance Limitations", have a Veto over certain significant actions, described in "Governance--Veto Rights", taken by the Company.

Convertibility

Each share of Class A Common Stock is convertible, at the option of its record holder, into one share of Common Stock at any time.

In the event of any transfer of any share of Class A Common Stock to any Person other than an Affiliate (as defined in Rule 12b-2 of the Exchange Act), such share of Class A Common Stock automatically converts, without any further action, into one share of Common Stock; provided, however, and subject to certain conditions described in the Certificate of Incorporation, that a holder of shares of Class A Common Stock may pledge such holder's shares to a financial institution pursuant to a bona fide pledge of such shares of Class A Common Stock as collateral security for any indebtedness or other obligation of any Person due to the pledgee or its nominee.

Further, each share of Class A Common Stock automatically converts into one share of Common Stock on the first date on which the ownership interest of TdF Group is less than 5%.

Other Provisions

Pursuant to the Governance Agreement, so long as it remains Qualified, TdF has anti-dilutive rights in connection with maintaining a certain percentage of voting power in the Company and, accordingly, the Company may not, subject to certain exceptions relating primarily to compensation of directors and employees, issue, sell or transfer additional securities (except for the Offering) unless TdF is offered the right to purchase, at the same price, an amount such that it would maintain such percentage of voting power in the Company. All outstanding shares of Class A Common Stock are legally issued, fully paid and nonassessable.

PREFERRED STOCK

Pursuant to the Certificate of Incorporation, the Company may issue up to 10,000,000 shares of Preferred Stock in one or more series. The Board of Directors has the authority, without any vote or action by the stockholders (other than any rights of TdF under the Governance Agreement), to create one or more series of Preferred Stock up to the limited of the Company's authorized but unissued shares of Preferred Stock and to fix the designations, preferences, rights, qualifications, limitations and restrictions thereof, including the voting rights, dividend rights, dividend rate, conversion rights, terms of redemption (including sinking fund provisions), redemption price or prices, liquidation preferences and the number of shares constituting any series. Upon completion of the Offering, there will be no shares of Preferred Stock outstanding. See "Risk Factors--Anti-Takeover Provisions".

SENIOR PREFERRED WARRANTS

In connection with the offering of the Senior Convertible Preferred Stock in August 1997 and October 1997, the Company issued warrants to purchase an aggregate of 1,314,990 shares of Common Stock at a price of \$7.50 per share, provided that the price per share shall be reduced to 85% of the price per share to the public if the Company consummates an initial registered public offering of Common Stock with a price below \$8.832 per share. The exercise price is subject to weighted average antidilution protection. These warrants are exercisable at any time prior to August 16, 2007, in the case of the warrants issued in August 1997, and October 31, 2007, in the case of the warrants issued in October 1997.

CERTIFICATE OF INCORPORATION AND BY-LAWS

Stockholders' rights and related matters are governed by the DGCL, the Certificate of Incorporation and the By-laws. Certain provisions of the Certificate of Incorporation and By-laws, which are summarized below, may have the effect, either alone or in combination with each other, of discouraging or making more difficult a tender offer or takeover attempt that is opposed by the Company's Board of Directors but that a stockholder might consider to be in its best interest. Such provisions may also adversely affect prevailing market prices for the Common Stock. The Company believes that such provisions are necessary to enable the Company to develop its business in a manner that will foster its long-term growth without disruption caused by the threat of a takeover not deemed by the Board of Directors to be in the best interests of the Company and its stockholders.

Classified Board of Directors and Related Provisions

The Certificate of Incorporation provides that the directors of the Company, other than those directors who may be elected by holders of any series of Preferred Stock or holders of the Class A Common Stock, initially are to be divided into three classes of directors, initially consisting of three, three and four directors. One class of directors, initially consisting of three directors, will be elected for a term expiring at the annual meeting of shareholders to be held in 1999, another class initially consisting of three directors will be elected for a term expiring at the annual meeting of stockholders to be held in 2000, and another class initially consisting of four directors shall be initially elected for a term expiring at the annual meeting of stockholders in 2001. The classified board provisions will prevent a party who acquires control of a majority of the outstanding Voting Stock of the Company from obtaining control of the Board of Directors until the second annual stockholders meeting following the date such party obtains the controlling interest. The provisions of the Certificate of Incorporation relating to the classified nature of the Company's Board of Directors may not be amended without the affirmative vote of the holders of at least 80% of the voting power of the Company's outstanding Voting Stock. "Voting Stock" is defined in the Certificate of Incorporation as the outstanding shares of capital stock of the Company entitled to vote in a general vote of stockholders of the Corporation as a single class with shares of Common Stock of the Company, which shares of capital stock include the shares of Class A Common Stock.

No Stockholder Action by Written Consent; Special Meeting

The Certificate of Incorporation prohibits stockholders (other than holders of Class A Common Stock with respect to matters upon which such holders are entitled to vote as a separate class) from taking action by written consent in lieu of an annual or special meeting and, thus, stockholders may only take action at an annual or special meeting called in accordance with the By-laws. The By-laws provide that special meetings of stockholders may only be called by the Secretary of the Company at the direction of the Board of Directors pursuant to a resolution adopted by the Board.

These provisions could have the effect of delaying consideration of a stockholder proposal until the next annual meeting. The provisions would also prevent the holders of a majority of the voting power of the capital stock of the Company entitled to vote from unilaterally using the written consent procedure to take stockholder action.

Advance Notice Requirements for Stockholder Proposals and Director Nominations

The By-laws establish advance notice procedures with regard to stockholder proposals and the nomination, other than by or at the direction of the Board of Directors, of candidates for election as directors. These procedures provide that the notice of stockholder proposals and stockholder nominations for the election of directors at an annual meeting must be in writing and received by the Secretary no less than 90 days nor more than 120 days prior to the first anniversary of the preceding year's annual meeting; provided, however, that with respect to the annual meeting to be held in 1999, the anniversary date shall be deemed to be April 1, 1999; provided further that in the event that the date of the annual meeting is advanced by more than 30 days, or delayed by more than 90 days, from such anniversary date, notice by the stockholder to be timely must be

delivered not earlier than the 120th day prior to such annual meeting and not later than the close of business on the later of the 90th day prior to such annual meeting or the 10th day following the day on which public disclosure of the date of the annual meeting was made. The notice of nominations for the election of directors must set forth certain information with respect to the stockholder giving the notice and with respect to each nominee.

By requiring advance notice of nominations by stockholders, the foregoing procedures will afford the Board of Directors an opportunity to consider the qualifications of the proposed nominees and, to the extent deemed necessary or desirable by the Board of Directors, to inform stockholders about such qualifications. By requiring advance notice of other proposed business, such procedures will provide the Board of Directors with an opportunity to inform stockholders, prior to such meetings, of any business proposed to be conducted at such meetings, together with any recommendations as to the Board of Directors' position regarding action to be taken with respect to such business, so that stockholders can better decide whether to attend such a meeting or to grant a proxy regarding the disposition of any such business.

Dilution

The Certificate of Incorporation provides that the Board of Directors is authorized to create and issue, whether or not in connection with the issuance and sale of any of its stock or other securities or property, rights entitling the holders to purchase from the Company shares of stock or other securities of the Company or any of other corporation, recognizing that, under certain circumstances, the creation and issuance of such rights could have the effect of discouraging third parties from seeking, or impairing their right to seek, to acquire a significant portion of the outstanding securities of the Company, to engage in any transaction which might result in a change of control of the corporation or to enter into any agreement, arrangement or understanding with another party to accomplish the foregoing or for the purpose of acquiring, holding, voting or disposing of any securities of the Company.

Indemnification

The Certificate of Incorporation and By-laws provide that the Company shall indemnify each director or officer of the Company to the fullest extent permitted by law.

Amendments

The Certificate of Incorporation and By-laws provide that the Company may at any time and from time to time, amend, alter, change or repeal any provision contained in the Certificate of Incorporation or a Preferred Stock designation; provided, however, the affirmative vote of the holders of at least 80% of the voting power of the then outstanding Voting Stock, voting together as a single class, is required to amend, repeal or adopt any provision inconsistent with certain provisions of the Certificate of Incorporation, including the provisions referred to above relating to the classification of the Board of Directors, prohibiting stockholder action by written consent, and prohibiting the calling of special meetings by stockholders.

The By-laws may be amended by either the holders of 80% of the voting power of the Voting Stock or by the majority of the Board; provided that the Board may alter, amend or repeal or adopt new By-laws in conflict with certain provisions thereof by a two-thirds vote of the entire Board.

RIGHTS PLAN

Rights

The Board of Directors of the Company has declared a dividend of one right (the "Rights") for each outstanding share of Common Stock and each outstanding share of Class A Common Stock. The Rights will be issued to the holders of record of Common Stock and Class A Common Stock outstanding on the date of the

consummation of the Offering (the "Issuance Date"), and with respect to Common Stock and Class A Common Stock issued thereafter until the Distribution Date (as defined below), and, in certain circumstances, with respect to Common Stock and Class A Common Stock issued after the Distribution Date. Each Right, when it becomes exercisable as described below, will entitle the registered holder to purchase from the Company one one-thousandth (1/1000th) of a share of Series A Participating Cumulative Preferred Stock (the "Preferred Shares") at a price of \$110.00 per (1/1000th) of a share, subject to adjustment in certain circumstances (the "Purchase Price"). The description and terms of the Rights are set forth in a Rights Agreement (the "Rights Agreement") between the Company and the Rights Agent named therein. The Rights will not be exercisable until the Distribution Date and will expire on the tenth annual anniversary of the Rights Agreement (the "Expiration Date"), unless earlier redeemed by the Company. Until a Right is exercised, the holder thereof, as such, will have no rights as a stockholder of the Company, including, without limitation, the right to vote or to receive dividends with respect to the Rights or the Preferred Shares relating thereto.

Distribution Date

Under the Rights Agreement, the Distribution Date is the earlier of (i) such time as the Company learns that a person or group (including any affiliate or associate of such person or group) has acquired, or has obtained the right to acquire, beneficial ownership of more than 15% of the outstanding voting securities of the Company (such person or group being an "Acquiring Person"), subject to the exceptions relating to the TdF Group and the Berkshire Group described in the paragraph below, unless provisions preventing accidental triggering of the distribution of the Rights apply, and (ii) the close of business on such date, if any, as may be designated by the Board of Directors following the commencement of, or first public disclosure of an intent to commence, a tender or exchange offer for more than 15% or more of the outstanding shares of Voting Securities.

Each member of the TdF Group will not otherwise be considered an Acquiring Person if (a) during the first five years following the adoption of the Rights Agreement, the aggregate ownership interest of the TdF Group does not exceed 25% (or 30% if the Board so elects) of the outstanding Voting Securities or (b) thereafter, the aggregate ownership interest of the TdF Group does not exceed the lesser of (i) 25% or 30%, as applicable, of the Voting Securities then outstanding and (ii) the greater of (x) the aggregate interest of the TdF Group as of the fifth anniversary of the Rights Agreement and (y) 15% of the then outstanding Voting Securities. Each member of the Berkshire Group will not otherwise be deemed an Acquiring Person if the aggregate ownership interest of the Berkshire Group does not exceed the greater of (a) the aggregate ownership interest of the Berkshire Group upon the execution of the Rights Agreement, reduced by an amount equal to any disposition of Voting Securities following the date the Rights Agreement is executed and (b) 15% of the outstanding Voting Securities.

Triggering Event and Effect of Triggering Event

At such time as there is an Acquiring Person, the Rights will entitle each holder (other than such Acquiring Person) of a Right to purchase, at the Purchase Price, that number of one-thousandths (1/1000ths) of a Preferred Share equivalent to the number of shares of Common Stock that at the time of such event would have a market value of twice the Purchase Price.

In the event the Company is acquired in a merger or other business combination by an Acquiring Person or an affiliate or associate of an Acquiring Person that is a publicly traded corporation or 50% or more of the Company's assets or assets representing 50% or more of the Company's revenues or cash flow are sold, leased, exchanged or otherwise transferred (in one or more transactions) to an Acquiring Person or an affiliate or associate of an Acquiring Person that is a publicly traded corporation, each Right will entitle its holder (other than Rights beneficially owned by such Acquiring Person or its affiliates or associates) to purchase, for the Purchase Price, that number of common shares of such corporation which at the time of the transaction would have a market value or, in certain circumstances, book value of twice the Purchase Price. In the event the Company is acquired in a merger or other business combination by an Acquiring Person or an affiliate or associate of an Acquiring Person that is not a publicly traded entity or 50% or more of the Company's assets or assets representing 50% or more of the Company's revenues or cash flow are sold, leased, exchanged or

otherwise transferred (in one or more transactions) to an Acquiring Person or affiliate or associate of an Acquiring Person that is not a publicly traded entity, each right will entitle its holder (subject to the next paragraph) to purchase, for the Purchase Price, at such holder's option, (i) that number of shares of the surviving corporation in the transaction with such entity (which surviving corporation could be the Company) which at the time of the transaction would have a book value of twice the Purchase Price, (ii) that number of shares of the ultimate parent of or entity controlling such surviving corporation which at the time of the transaction would have a book value of twice the Purchase Price or (iii) if such entity has an affiliate which has publicly traded common shares, that number of common shares of such affiliate which at the time of the transaction would have market value of twice the Purchase Price.

Any Rights that are at any time beneficially owned by an Acquiring Person (or any affiliate or associate of an Acquiring Person) will be null and void and nontransferable and any holder of any such right (including any purported transferee or subsequent holder) will be unable to exercise or transfer any such Right.

Redemption

At any time prior to the earlier of (i) such time as a person or group becomes an Acquiring Person and (ii) the Expiration Date, the Board of Directors may redeem the Rights in whole, but not in part, at a price (in cash or Common Stock or other securities of the Company deemed by the Board of Directors to be at least equivalent in value) of \$.01 per Right (which amount shall be subject to adjustment as provided in the Rights Agreement) (the "Redemption Price"). Immediately upon the action of the Board of Directors ordering the redemption of the Rights, and without any further action and without any notice, the right to exercise the Rights will terminate and the only right of the holders of Rights will be to receive the Redemption Price.

In addition, at any time after there is an Acquiring Person, the Board of Directors may elect to exchange each Right for consideration per Right consisting of one-half of the securities that would be issuable at such time upon exercise of one Right pursuant to the terms of the Rights Agreement.

Amendment

At any time prior to the Distribution Date, the Company may, without the approval of any holder of any Rights, supplement or amend any provision of the Rights Agreement (including, without limitation, the date on which the Expiration Date or Distribution Date shall occur, the definition of Acquiring Person, the time during which the Rights may be redeemed or the terms of the Preferred Shares), except that no supplement or amendment shall be made which reduces the Redemption Price (other than pursuant to certain adjustments therein).

Certain Effects of the Rights Plan

The Rights plan is designed to protect stockholders of the Company in the event of unsolicited offers to acquire the Company and other coercive takeover tactics which, in the opinion of the Board of Directors, could impair its ability to represent stockholder interests. The provisions of the Rights Plan may render an unsolicited takeover of the Company more difficult or less likely to occur or might prevent such a takeover, even though such takeover may offer the Company's stockholders the opportunity to sell their stock at a price above the prevailing market rate and may be favored by a majority of the stockholders of the Company.

SECTION 203 OF THE DELAWARE GENERAL CORPORATION LAW

Section 203 of the DGCL prohibits certain transactions between a Delaware corporation and an "interested stockholder", which is defined as a person who, together with any affiliates and/or associates of such person, beneficially owns, directly or indirectly, 15% or more of the outstanding voting shares of a Delaware corporation. This provision prohibits certain business combinations (defined broadly to include mergers, consolidations, sales or other dispositions of assets having an aggregate value of 10% or more of the consolidated assets of the corporation, and certain transactions that would increase the interested stockholder's proportionate share

ownership in the corporation) between an interested stockholder and a corporation for a period of three years after the date the interested stockholder acquired its stock, unless: (i) the business combination is approved by the corporation's Board of Directors prior to the date the interested stockholder acquired shares; (ii) the interested stockholder acquired at least 85% of the voting stock of the corporation in the transaction in which it became an interested stockholder; or (iii) the business combination is approved by a majority of the Board of Directors and by the affirmative vote of two-thirds of the outstanding voting stock owned by disinterested stockholders at an annual or special meeting. A Delaware corporation, pursuant to a provision in its certificate of incorporation or by-laws, may elect not to be governed by Section 203 of the DGCL. The Certificate of Incorporation does not exclude the Company from the restrictions imposed by Section 203 of the DGCL and, as a result, the company will be subject to its provisions upon consummation of the Offering.

Under certain circumstances, Section 203 of the DGCL makes it more difficult for a person who could be an "interested stockholder" to effect various business combinations with a corporation for a three-year period, although the stockholders may elect to exclude a corporation from the restrictions imposed thereunder. The Certificate of Incorporation of the Company does not exclude the Company from the restrictions imposed under Section 203 of the DGCL. It is anticipated that the provisions of Section 203 of the DGCL may encourage companies interested in acquiring the Company to negotiate in advance with the Board of Directors, since the stockholder approval requirement would be avoided if a majority of the directors then in office approves, prior to the date on which a stockholder becomes an interested stockholder, either the business combination or the transaction which results in the stockholder becoming an interested stockholder.

LIMITATIONS OF DIRECTORS' LIABILITY

The Certificate of Incorporation provides that no director of the Company will be personally liable to the Company or its stockholders for monetary damages for breach of fiduciary duty as a director except for liability: (1) for any breach of the director's duty of loyalty to the Company or its stockholders, (2) for acts of omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (3) under Section 174 of the DGCL, or (4) for any transaction from which the director derived an improper personal benefit. The effect of these provisions will be to eliminate the rights of the Company and its stockholders (through stockholders' derivatives suits on behalf of the Company) to recover monetary damages against a director for breach of fiduciary duty as a director (including breaches resulting from grossly negligent behavior), except in the situations described above. These provisions will not limit the liability of directors under federal securities laws and will not affect the availability of equitable remedies such as an injunction or rescission based upon a director's breach of his duty of care.

TRANSFER AGENT

The Transfer Agent and Registrar for the Common Stock is ChaseMellon Shareholder Services, L.L.C.

DESCRIPTION OF CERTAIN INDEBTEDNESS

SENIOR CREDIT FACILITY

Pursuant to the Amended and Restated Loan Agreement dated as of July 10, 1998, two wholly owned subsidiaries of CCIC, CCI and Crown Castle International Corp. de Puerto Rico ("CCIC(PR)") (collectively, the "Borrowers"), have entered into the Senior Credit Facility with a group of banks and other financial institutions led by Key Corporate Capital Inc. ("KeyCorp") and PNC Bank, National Association, as arrangers and agents. The following summary of certain provisions of the Senior Credit Facility does not purport to be complete and is subject to, and is qualified in its entirety by reference to, the provisions of the Senior Credit Facility.

The Senior Credit Facility provides for revolving credit loans in an aggregate principal amount not to exceed \$100.0 million, for working capital needs, acquisitions and general corporate purposes. The Senior Credit Facility includes a \$5.0 million sublimit available for the issuance of letters of credit. As of May 29, 1998, the Borrowers had unused borrowing availability under the Senior Credit Facility of approximately \$39.5 million.

The loan commitment under the Senior Credit Facility reduces by \$5.0 million commencing March 31, 2001 and by \$5.0 million each calendar quarter thereafter until December 31, 2004, when the Senior Credit Facility matures. In addition, the Senior Credit Facility provides for mandatory reduction of the loan commitment and mandatory prepayment with the (i) net proceeds of certain asset sales, (ii) net proceeds of certain required capital contributions to CCI by CCIC relating to the proceeds from the sale of equity, convertible or debt securities, subject to certain exceptions, (iii) net proceeds of any unused insurance proceeds and (iv) a percentage of the excess cash flow of the Borrowers, commencing with the calendar year ending December 31, 2000.

The Borrowers' obligations under the Senior Credit Facility are guaranteed by each direct and indirect majority owned subsidiary of CCI and are also secured by (i) a pledge by the Borrowers of all of the outstanding capital stock of each of their respective direct subsidiaries and (ii) a perfected first priority security interest in substantially all of the personal property of the Borrowers and their subsidiaries. In addition, the Senior Credit Facility is guaranteed on a limited recourse basis by CCIC, limited in recourse to the collateral pledged by CCIC (the capital stock of CCI). The capital stock of CTSH will not be pledged to secure the Senior Credit Facility.

The loans under the Senior Credit Facility will bear interest, at the Borrowers' option, at either (A) a "base rate" equal to KeyCorp's prime lending rate plus an applicable spread ranging from 0% to 1.5% (determined based on a leverage ratio) or (B) a "LIBOR rate" plus an applicable spread ranging from 1.0% to 3.25% (determined based on a leverage ratio). Following the occurrence and during the continuance of an event of default under the Senior Credit Facility, the loans will bear interest at the "base rate" plus 3.5%.

The Senior Credit Facility contains a number of covenants that, among other things, restrict the ability of the Borrowers and their respective subsidiaries to dispose of assets, incur additional indebtedness, incur guaranty obligations, repay subordinated indebtedness except in accordance with the subordination provisions, pay dividends or make capital distributions, create liens on assets, enter into leases, make investments, make acquisitions, engage in mergers or consolidations, make capital expenditures, engage in certain transactions with subsidiaries and affiliates and otherwise restrict corporate activities. In addition, the Senior Credit Facility will require compliance with certain financial covenants, including requiring the Borrowers and their respective subsidiaries to maintain a maximum ratio of indebtedness to operating cash flow, a minimum ratio of operating cash flow to fixed charges, a minimum ratio of operating cash flow to projected debt service and a minimum ratio of operating cash flow to interest expense. CCIC does not expect that such covenants will materially impact the ability of the Borrowers and their respective subsidiaries to operate their respective businesses.

Pursuant to the terms of the Senior Credit Facility, CCI is entitled to pay dividends or make distributions to CCIC in order to permit CCIC to pay its out-of-pocket costs for corporate development and overhead and to pay cash interest on certain indebtedness of CCIC (including the Notes); provided that the amount of such

dividends or distributions does not exceed (i) \$6.0 million in any year ending on or prior to October 31, 2002 or (ii) \$33.0 million in any year thereafter. The Senior Credit Facility also allows CCI to pay dividends or distribute cash to CCIC to the extent required to pay taxes allocable to the Borrowers and their respective subsidiaries. All of the above-mentioned dividends or distributions, however, including dividends or distributions that are intended to pay interest on the Notes, may not be made by CCI so long as any default or event of default exists under the Senior Credit Facility.

The Senior Credit Facility contains customary events of default, including the failure to pay principal when due or any interest or other amount that becomes due within two days after the due date thereof, any representation or warranty being made by the Borrowers that is incorrect in any material respect on or as of the date made, a default in the performance of any negative covenants or a default in the performance of certain other covenants or agreements for a period of thirty days, default in certain other indebtedness, certain insolvency events and certain change of control events. In addition, a default under the Indenture will result in a default under the Senior Credit Facility.

CTI CREDIT FACILITY

Pursuant to the Loan Amendment Agreement dated May 21, 1997 (the "CTI Credit Facility"), among CTI, as borrower, CTSB, as guarantor, Credit Suisse First Boston, as arranger and agent ("CSFB"), and J.P. Morgan Securities Ltd., as co-arranger ("JPM"), CTI's (Pounds)162.5 million term and revolving loan facilities (the "Old Facilities") were amended to a (Pounds)64.0 million revolving loan facility. The following summary of certain provisions of the CTI Credit Facility does not purport to be complete and is subject to, and is qualified in its entirety by reference to, the provisions of the CTI Credit Facility.

The CTI Credit Facility provides for revolving credit loans in an aggregate principal amount not to exceed (Pounds)64.0 million to finance capital expenditures in respect of digital terrestrial television with up to (Pounds)46.5 million of such amount available for working capital needs and for general corporate purposes. As of May 29, 1998, CTI had unused borrowing availability under the CTI Credit Facility of approximately (Pounds)35.0 million (\$57.1 million).

The loan commitment under the CTI Credit Facility will be automatically reduced to zero in three equal semi-annual installments commencing on May 31, 2001 and ending on May 31, 2002, when the CTI Credit Facility matures. In addition, the CTI Credit Facility provides for mandatory cancellation of all or part of the loan commitment and mandatory prepayment (i) with an amount equal to the net proceeds of certain asset sales and (ii) upon the consummation of an initial public offering or the listing on any stock exchange of the shares of CTI, CTSB or CCIC.

CTI's and CTSB's obligations under the CTI Credit Facility are secured by fixed and floating charges over all of their respective assets. The loans under the CTI Credit Facility will bear interest at a "LIBOR rate" plus 0.85% and a spread related to the lenders' cost of making the CTI Credit Facility available to CTI.

The CTI Credit Facility contains a number of covenants that, among other things, restrict the ability of CTI to dispose of assets, incur additional indebtedness, incur guaranty obligations, repay subordinated indebtedness except in accordance with the subordination provisions, pay dividends or make capital distributions, create liens on assets, make investments, make acquisitions, engage in certain transactions with subsidiaries and affiliates and otherwise restrict corporate activities. In addition, the CTI Credit Facility will require compliance with certain financial covenants, including requiring CTI to maintain a maximum ratio of indebtedness to EBITDA, a minimum ratio of EBITDA to interest expense, and a minimum tangible net worth. CCIC does not expect that such covenants will materially impact the ability of CTI to operate its business.

The CTI Credit Facility contains customary events of default, including the failure to pay principal or any interest or any other amount that becomes due within three business days after the due date thereof, any representation or warranty being made by CTI that is untrue or misleading on the date made, a default in the

performance of any of its covenants under the CTI Credit Facility (unless, if such default is capable of remedy, such default is cured within 14 days of CTI becoming aware of such default), default in certain other indebtedness, certain insolvency events and certain change of control events.

On July 17, 1998, the lenders (acting through Credit Suisse First Boston, as agent) under the CTI Credit Facility waived a provision in the CTI Credit Facility that would have required the repayment of the CTI Credit Facility concurrently with the listing of the Company's Common Stock.

THE NOTES

On November 20, 1997, the Company privately placed \$251.0 million principal amount at maturity (\$150,010,150 initial accreted value) of its 10 5/8% Senior Discount Notes due 2007 (the "Notes"). The following is a summary of certain terms of the Notes and is qualified in its entirety by reference to the Indenture (the "Indenture") relating to the Notes. A copy of the Indenture has been filed with the Registration Statement of which this Prospectus forms a part.

The Notes are unsecured senior obligations of the Company, and will rank pari passu in right of payment with all existing and future senior indebtedness of the Company and will be senior to future subordinated indebtedness of the Company. The Notes mature on November 15, 2007. The Notes will accrete in value until November 15, 2002. Thereafter, cash interest will accrue on the Notes at the rate of 10.625% per annum and will be payable semi-annually, commencing on May 15, 2003.

Except as stated below, the notes are not redeemable prior to November 15, 2002. Thereafter, the Notes are redeemable at the option of the Company, in whole or in part, at any time or from time to time, at a premium which is at a fixed percentage that declines to par on or after November 15, 2005, in each case together with accrued and unpaid interest, if any, to the date of redemption. In the event the Company consummates a public equity offering or certain strategic equity investments prior to November 15, 2000, the Company may, at its option, use all or a portion of the proceeds from such offering to redeem up to 35% of the original aggregate principal amount at maturity of the Notes at a redemption price equal to 110.625% of the accreted value of the Notes to be redeemed, plus accrued and unpaid interest, if any, thereon to the redemption date, provided at least 65% of the original aggregate principal amount at maturity of the Notes remains outstanding after each such redemption.

Upon the occurrence of a Change of Control (as defined in the Indenture), each holder of Notes has the right to require the Company to purchase all or a portion of such holder's Notes at a price equal to 101% of the aggregate principal amount thereof, together with accrued and unpaid interest to the date of purchase.

The Indenture contains certain covenants, including covenants that limit (i) indebtedness, (ii) restricted payments, (iii) distributions from restricted subsidiaries, (iv) transactions with affiliates, (v) sales of assets and subsidiary stock (including sale and leaseback transactions), (vi) dividend and other payment restrictions affecting restricted subsidiaries, and (vii) mergers or consolidations.

THE CTI BONDS

On May 21, 1997, a subsidiary of CTSH issued (Pounds)125.0 million aggregate principal amount of its 9% Guaranteed Bonds due 2007 (the "CTI Bonds"). The CTI Bonds are listed on the Luxembourg Stock Exchange. The following is a summary of certain terms of the Bonds and is qualified in its entirety by reference to the trust deed dated May 21, 1997 (the "Trust Deed") relating to the Bonds. A copy of the Trust Deed has been filed with the Registration Statement of which this Prospectus forms a part.

The Bonds constitute direct, general and unconditional guaranteed obligations of the subsidiary of CTSH and rank pari passu with all other present and future unsecured and unsubordinated obligations of such subsidiary. The CTI Bonds are guaranteed jointly and severally by CTI and CTSH. The CTI Bonds will mature on March 30, 2007. Interest on the Bonds is payable annually in arrears on March 30 in each year, the first payment having been made on March 30, 1998.

The CTI Bonds may be redeemed at the option of the Company in whole or in part, at any time or from time to time, at the greater of their principal and such price as will provide a gross redemption yield 0.5% per annum above the gross redemption yield of the benchmark gilt plus, in either case, accrued and unpaid interest.

Upon the occurrence of a Put Event (as defined in the Trust Deed), each holder of CTI Bonds has the right to require such subsidiary to purchase all or a portion of such holder's CTI Bonds at a price equal to 101% of the aggregate principal amount thereof, together with accrued and unpaid interest to the date of purchase.

The Trust Deed contains certain covenants, including covenants that limit (i) indebtedness, (ii) restricted payments, (iii) distributions from restricted subsidiaries, (iv) transactions with affiliates, (v) sales of assets and subsidiary stock, (vi) dividend and other payment restrictions affecting restricted subsidiaries, and (vii) mergers or consolidations.

SHARES ELIGIBLE FOR FUTURE SALE

Upon completion of the Offering, the Company will have outstanding 97,728,545 shares of Common Stock (98,246,575 shares if the over-allotment option is exercised in full). Of these shares, the 31,250,000 shares of Common Stock (35,937,500 if the over-allotment option is exercised in full) sold in the Offering will be freely tradeable without restriction or further registration under the Securities Act, unless held by an "affiliate" of the Company as that term is defined in Rule 144 promulgated under the Securities Act ("Rule 144"), which shares will be subject to the resale limitation of Rule 144. The remaining 66,478,545 shares of Common Stock (62,309,075 if the over-allotment option is exercised in full) have not been registered under the Securities Act and may not be sold unless they are registered or unless an exemption from registration, such as the exemption provided by Rule 144 or Rule 701 under the Securities Act ("Rule 701"), is available. As a result of the contractual restrictions described below and the provisions of Rule 144 and Rule 701, 66,391,137 shares will be eligible for sale upon expiration of the lock-up agreements 180 days after the date of this Prospectus and 87,408 shares will be eligible for sale upon expiration of their respective one-year holding periods.

The Company has agreed, during the period beginning from the date of this Prospectus and continuing to and including the date 180 days after the date of this Prospectus, not to offer, sell, contract to sell or otherwise dispose of any securities of the Company that are substantially similar to the Common Stock, including but not limited to any securities that are convertible into or exchangeable for, or that represent the right to receive, Common Stock or any such substantially similar securities, without the prior written consent of Lehman Brothers Inc. In addition, the Company's directors and executive officers and, with certain limited exceptions, all other existing stockholders of the Company who represent in the aggregate approximately 68.0% of the outstanding Common Stock after the Offering, will be required, during the period beginning from the date of this Prospectus and continuing to and including the date 180 days after the date of this Prospectus, not to, directly or indirectly, offer, pledge, sell, contract to sell or otherwise dispose of any securities of the Company outstanding as of the date of this Prospectus, including but not limited to any securities that are convertible into or exchangeable for, or that represent the right to receive any Common Stock or substantially similar securities, or enter into any swap or other arrangement that transfers, in whole or in part, the economic consequences of ownership of any securities of the Company, without the prior written consent of Lehman Brothers Inc. In addition to certain typical exceptions to such "lock-up" agreements, each employee of the Company or its subsidiaries (excluding Mr. Crown, certain executive officers and the directors of the Company) that is a party to such an agreement is permitted to sell during the 180-day period described above up to 12% of the shares of Common Stock beneficially owned or held under option by such employee as of the date of this Prospectus; provided that such sales must be made in compliance with the registration requirements of the Securities Act or pursuant to an exemption therefrom; provided further that if any such employee has granted an option to the U.S. Underwriters to sell additional shares to cover over-allotments, then such employee's eligibility for this additional exception is reduced by the number of shares sold upon exercise of the over-allotment option. See "Underwriting".

In general, under Rule 144 as currently in effect, a stockholder, including an "affiliate", who has beneficially owned his or her restricted securities (as that term is defined in Rule 144) for at least one year from the later of the date such securities were acquired from the Company or (if applicable) the date they were acquired from an affiliate, is entitled to sell, within any three-month period, a number of such shares that does not exceed the greater of 1% of the then outstanding shares of Common Stock (which will equal approximately 1,000,000 shares immediately after the Offering) or the average weekly trading volume in the Common Stock during the four calendar weeks preceding the date on which notice of such sale was filed under Rule 144, provided certain requirements concerning availability of public information, manner of sale and notice of sale are satisfied. In addition, under Rule 144(k), if a period of at least two years has elapsed between the later of the date restricted securities were acquired from the Company or (if applicable) the date they were acquired from an affiliate of the Company, a stockholder who is not an affiliate of the Company at the time of sale and has not been an affiliate of the Company for at least three months prior to the sale is entitled to sell the shares immediately without compliance with the foregoing requirements under Rule 144.

Subject to certain limitations on the aggregate offering price of a transaction and other conditions, Rule 701 may be relied upon with respect to the resale of securities originally purchased from the Company by its

employees, directors, officers, consultants or advisors prior to the date the issuer becomes subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), pursuant to written compensatory benefit plans or written contracts relating to the compensation of such persons. In addition, the SEC has indicated that Rule 701 will apply to typical stock options granted by an issuer before it becomes subject to the reporting requirements of the Exchange Act, along with the shares acquired upon exercise of such options (including exercises after the date of the Offering). Securities issued in reliance on Rule 701 are restricted securities and, subject to the contractual restrictions described above may be sold (i) by persons other than affiliates, subject only to the manner of sale provisions of Rule 144 and (ii) by affiliates, under Rule 144 without compliance with its one-year minimum holding period requirements.

Following consummation of the Offering, the Company expects to file a registration statement on Form S-8 covering approximately 22,275,000 shares of Common Stock that are subject to outstanding options or reserved for issuance under the Company's stock option plans.

Approximately 64,000,000 shares of Common Stock (81,500,000 including shares issuable upon conversion or exercise of outstanding securities) will be subject to demand and piggyback registration rights. In addition, the Company estimates that upon the expiration of the 180-day lockup period described above, approximately 45,500,000 shares may be sold under Rule 144, subject to the volume restrictions contained therein.

Except as indicated above, the Company is unable to estimate the amount, timing and nature of future sales of outstanding Common Stock. Prior to the Offering, there has been no public market for the Common Stock, and no prediction can be made as to the effect, if any, that market sales of shares of Common Stock or the availability of shares for sale will have on the market price of the Common Stock prevailing from time to time. Nevertheless, sales of significant numbers of shares of Common Stock in the public market could adversely affect the market price of the Common Stock and could impair the Company's ability to raise capital through an offering of its equity securities. See "Risk Factors--Shares Eligible for Future Sale" and "Underwriting".

CERTAIN UNITED STATES FEDERAL TAX CONSEQUENCES
TO NON-UNITED STATES HOLDERS

The following is a general summary of the material United States Federal income and estate tax considerations to a Non-U.S. Holder (as defined below) relevant to the ownership and disposition of shares of Common Stock. This summary is based on the Internal Revenue Code of 1986, as amended (the "Code"), final, temporary and proposed United States Treasury regulations promulgated thereunder, Internal Revenue Service (the "IRS") rulings, official pronouncements and judicial decisions, all as in effect on the date hereof and all of which are subject to change, possibly with retroactive effect, or different interpretations. This summary does not discuss all the tax consequences that may be relevant to a particular Non-U.S. Holder in light of the holder's particular circumstances and it is not intended to be applicable in all respects to all categories of Non-U.S. Holders, some of whom may be subject to special rules not discussed below. In addition, this summary does not address any state, local or foreign tax considerations that may be relevant to a Non-U.S. Holder's decision to purchase shares of Common Stock.

For purposes of this discussion, a "Non-U.S. Holder" is a person or entity that, for U.S. Federal income tax purposes, is either a non-resident alien individual, a foreign corporation, a foreign partnership or a foreign estate or trust in each case not subject to U.S. Federal income tax on a net income basis in respect of income or gain with respect to Common Stock. An individual may be deemed to a resident alien (as opposed to a non-resident alien) by virtue of being present in the United States on at least 31 days during the calendar year and for an aggregate of 183 days during the calendar year and the two preceding calendar years (counting, for such purposes all the days present in the current year, one-third of the days present in the immediately preceding year and one sixth of the days present in the second preceding year). In addition to the "substantial presence test" described in the immediately preceding sentence, an individual may be treated as a resident alien if he or she (i) meets the lawful permanent residence test (a so-called "green card" test) or (ii) elects to be treated as a U.S. resident and meets the "substantial presence test" in the immediately following year. Generally, resident aliens are subject to U.S. Federal income and estate tax in the same manner as U.S. citizens and residents.

ALL NON-U.S. HOLDERS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS REGARDING THE FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES OF THE OWNERSHIP AND DISPOSITION OF SHARES OF COMMON STOCK IN LIGHT OF THEIR OWN PARTICULAR CIRCUMSTANCES.

DIVIDENDS ON COMMON STOCK

Generally, any dividends paid on Common Stock will be subject to United States Federal withholding tax at a rate of 30% of the amount of the dividend, or at a lower applicable treaty rate. However, if the dividend is effectively connected with a United States trade or business of a Non-U.S. Holder (and is attributable to a U.S. permanent establishment of such holder, if an applicable income tax treaty so requires as a condition for the Non-U.S. Holder to be subject to U.S. income tax on a net income basis in respect or such dividends) it will be subject to United States Federal income tax on a net basis at ordinary Federal income tax rates (in which case the branch profits tax at 30% (or such lower rate as may be specified in an applicable treaty) may also apply if such holder is a foreign corporation), and assuming certain certification requirements are met, will not be subject to the 30% withholding tax.

Under current Treasury regulations, a holder's status as a Non-U.S. Holder and eligibility for a tax treaty reduced rate of withholding will be determined by reference to the holder's address and to any outstanding certificates or statements concerning eligibility for a reduced rate of withholding, unless facts and circumstances indicate that reliance on such address, certificates or statements is not warranted. However, subject to certain transitional rules, recently issued Treasury regulations require a Non-U.S. Holder to provide certifications under penalties of perjury in order to obtain treaty benefits for payments made after December 31, 1999.

SALE OR EXCHANGE OF COMMON STOCK

Subject to the discussion of backup withholding below, any capital gain realized upon a sale or exchange of Common Stock by a beneficial owner who is a Non-U.S. Holder ordinarily will not be subject to United States Federal income tax unless (i) such gain is effectively connected with a trade or business conducted by such Non-U.S. Holder within the United States (in which case the branch profits tax at 30% (or such lower rate as may be specified in an applicable treaty) may also apply if the holder is a foreign corporation), (ii) in the case of a Non-U.S. Holder that is an individual, such holder is present in the United States for a period or periods aggregating 183 days or more in the taxable year of the sale or exchange and either (a) has a "tax home" for Federal income tax purposes in the United States or (b) has an office or other fixed place of business in the United States to which the gain is attributable or (iii) the Company is or has been a "United States real property holding corporation" (a "USRPHC") for Federal income tax purposes within the lesser of (a) the five-year period ending on the date of the sale or exchange and (b) the Non-U.S. Holder's holding period, and, in each case, no treaty exception is applicable. The Company does not believe that it is currently a USRPHC. Moreover, even if the Company were to become a USRPHC, any gain recognized by a Non-U.S. Holder still would not be subject to U.S. tax if the shares were to be "regularly traded" (within the meaning of applicable Treasury regulations) on an established securities market (such as, for example, the Nasdaq Stock Market) and the Non-U.S. Holder did not own, directly or constructively, more than 5% of the outstanding Common Stock.

FEDERAL ESTATE TAXES

Common Stock that is beneficially owned by an individual who is neither a citizen nor a resident of the United States at the time of death will be included in such individual's gross estate for United States Federal estate tax purposes, unless an applicable estate tax treaty provides otherwise.

BACKUP WITHHOLDING AND INFORMATION REPORTING

Generally, dividends on Common Stock paid to Non-U.S. Holders that are subject to the 30% or a reduced treaty rate of United States Federal withholding tax will be exempt from backup withholding tax. Otherwise, backup withholding of United States Federal income tax at a rate of 31% may apply to dividends paid with respect to Common Stock to holders that are not "exempt recipients" and that fail to provide certain information (including the holder's taxpayer identification number) in the manner required by United States law and applicable regulations.

Payments of the proceeds from the sale by a Non-U.S. Holder of shares of Common Stock made to or through a foreign office of a broker will not be subject to information reporting or backup withholding except that if the broker is a United States person, a controlled foreign corporation for United States tax purposes or a foreign person 50% or more of whose gross income is effectively connected with a United States trade or business for a specified three-year period, information reporting may apply to such payments. Payments of the proceeds from the sale of shares of Common Stock to or through the United States office of a broker will be subject to information reporting and backup withholding unless the holder certifies as to its non-United States status or otherwise establishes an exemption from information reporting and backup withholding. Subject to certain transitional rules, recently adopted Treasury regulations change information reporting requirements for Non-U.S. Holders for payments made after December 31, 1999. Accordingly, a Non-U.S. Holder should consult its tax advisor regarding the effects on it, if any, of these new regulations.

UNDERWRITING

Under the terms of, and subject to the conditions contained in, the U.S. Underwriting Agreement (the "U.S. Underwriting Agreement"), the form of which is filed as an Exhibit to the Registration Statement, the underwriters named below (the "U.S. Underwriters"), for whom Lehman Brothers Inc., Credit Suisse First Boston Corporation, Goldman, Sachs & Co. and Smith Barney Inc. are acting as representatives (the "U.S. Representatives"), have severally agreed, subject to the terms and conditions of the U.S. Underwriting Agreement, to purchase from the Company and the Selling Stockholder, and the Company and the Selling Stockholder have agreed to sell to each U.S. Underwriter, the aggregate number of shares of Common Stock set forth opposite the name of each such U.S. Underwriter below:

U.S. UNDERWRITERS	NUMBER OF SHARES
Lehman Brothers Inc.....	
Credit Suisse First Boston Corporation.....	
Goldman, Sachs & Co.	
Smith Barney Inc.....	
Total.....	25,000,000
	=====

Under the terms of, and subject to the conditions contained in, the International Underwriting Agreement (the "International Underwriting Agreement"), the form of which is filed as an Exhibit to the Registration Statement, the managers named below of the concurrent offering of the shares of Common Stock outside the U.S. and Canada (the "International Managers") for whom Lehman Brothers International (Europe), Credit Suisse First Boston (Europe) Limited, Goldman Sachs International and Smith Barney Inc. are acting as lead managers (the "Lead Managers" and, together with the U.S. Representatives, the "Representatives"), have severally agreed, subject to the terms and conditions of the International Underwriting Agreement, to purchase from the Company, and the Company has agreed to sell to each International Manager, the aggregate number of shares of Common Stock set forth opposite the name of each International Manager below:

INTERNATIONAL MANAGERS	NUMBER OF SHARES
Lehman Brothers International (Europe).....	
Credit Suisse First Boston (Europe) Limited.....	
Goldman Sachs International.....	
Smith Barney Inc.....	
Total.....	6,250,000
	=====

The U.S. Underwriting Agreement and the International Underwriting Agreement (collectively, the "Underwriting Agreements" provide that the obligations of the U.S. Underwriters and the International Managers to purchase shares of Common Stock are subject to certain conditions, and that if any of the foregoing shares of Common Stock are purchased by the U.S. Underwriters pursuant to the U.S. Underwriting Agreement or by the International Managers pursuant to the International Underwriting Agreement, then all the shares of Common Stock agreed to be purchased by the U.S. Underwriters and the International Managers, as the case may be, pursuant to their respective Underwriting Agreement, must be so purchased. The offering price and underwriting discounts and commissions per share for the U.S. Offering and the International Offering are identical. The closing of the U.S. Offering is a condition to the closing of the International Offering and the closing of the International Offering is a condition to the closing of the U.S. Offering.

The Company, the Selling Stockholder and certain additional stockholders identified below who may participate in the over-allotment option (as described herein) have been advised by the Representatives that the U.S. Underwriters and the International Managers propose to offer the shares of Common Stock directly to the

public at the public offering price set forth on the cover page of this Prospectus, and to certain selected dealers (who may include the U.S. Underwriters and the International Managers) at such public offering price less a selling concession not in excess of \$ per share. The selected dealers may reallow a concession not in excess of \$ per share to certain brokers and dealers. After the Offering, the public offering price, the concession to selected dealers and the reallowance may be changed by the U.S. Underwriters and the International Managers.

The Company and the Selling Stockholder have agreed to indemnify, under certain circumstances, the U.S. Underwriters and, in the case of the Company, the International Managers against certain liabilities, including liabilities under the Securities Act, and to contribute, under certain circumstances, to payments that the U.S. Underwriters and, in the case of the Company, the International Managers may be required to make in respect thereof.

The following Stockholders of the Company have granted to the U.S. Underwriters options to purchase up to an aggregate of 4,687,500 additional shares of Common Stock, exercisable solely to cover over-allotments, at the public offering price less the underwriting discounts and commissions shown on the cover page of this Prospectus: (i) Messrs. Miller, Ivy, Green, Gwyn, Rees and Reese, each of whom is an executive of the Company or CTSH (the "Executives"), have granted to the U.S. Underwriters options to purchase up to an aggregate of 1,034,850 shares of Common Stock; (ii) Messrs. and Mmes. Bettenhausen, Broussard, Cordell, Cunningham, Dennehy, Easter, Ellen, Schueppert, Taylor, Turner, Uminski, Wallander, Ward and Wing, each of whom is a member of management of the Company, CCI or CTSH (the "Employees"), have granted to the U.S. Underwriters options to purchase up to an aggregate of 300,340 shares of Common Stock; and (iii) Candover Investments, plc, Candover (Trustees) Limited, Candover Partners Limited, Centennial Fund IV, L.P., Centennial Entrepreneurs Fund V, L.P., Centennial Fund V, Charlesbank Capital Partners, L.L.C., Fay, Richwhite Communications Limited, Nassau Capital Partners II, L.P., NAS Partners I, L.L.C., New York Life Insurance Company, the Northwestern Mutual Life Insurance Company, PNC Venture Corp., Prime VIII, L.P., and Messrs. Neuger, Pinkerton and Smith, each of which is an investor in the Company (the "Investors") and Messrs. Hutcheson, Martin and McKenzie each of whom is a director of the Company (the "Directors" and together with the Investors, the "Sponsors"), have granted to the U.S. Underwriters options to purchase up to an aggregate of 3,352,310 shares of Common Stock. Such options may be exercised at any time until 30 days after the date of the U.S. Underwriting Agreement. To the extent that the over-allotment option is exercised, each U.S. Underwriter or International Manager, as the case may be, will be committed, subject to certain conditions, to purchase a number of additional shares of Common Stock proportionate to such U.S. Underwriter's or International Manager's initial commitment as indicated in the preceding tables.

The Executives, the Employees and the Sponsors have agreed to indemnify, under certain circumstances, the U.S. Underwriters against certain liabilities, including liabilities under the Securities Act, and to contribute, under certain circumstances, to the payments that the U.S. Underwriters may be required to make in respect thereof.

Prior to the Offering, there has been no public market for the shares of Common Stock. The initial public offering price was negotiated between the Company and the Representatives. Among the factors considered in determining the initial public offering price of the shares of Common Stock, in addition to prevailing market conditions, were the Company's historical performance and capital structure, estimates of business potential and earning prospects of the Company, an overall assessment of the Company, an assessment of the Company's management and the consideration of the above factors in relation to market valuation of companies in related businesses.

The U.S. Underwriters and the International Managers have entered into an Agreement Between U.S. Underwriters and International Managers pursuant to which each U.S. Underwriter has agreed that, as part of the distribution of the shares of Common Stock offered in the U.S. Offering, (i) it is not purchasing any such shares for the account of anyone other than a U.S. or Canadian Person (as defined below), and (ii) it has not offered or sold, will not offer, sell, resell or deliver, directly or indirectly, any such shares or distribute any prospectus relating to the U.S. Offering to anyone other than a U.S. or Canadian Person. In addition, pursuant to such Agreement, each International Manager has agreed that, as part of the distribution of the shares of Common

Stock offered in the International Offering, (i) it is not purchasing any such shares for the account of a U.S. or Canadian Person, and (ii) it has not offered or sold, and will not offer, sell, resell or deliver, directly or indirectly, any of such shares or distribute any prospectus relating to the International Offering to any U.S. or Canadian Person.

The foregoing limitations do not apply to stabilization transactions or to certain other transactions specified in the Underwriting Agreements and the Agreement Between U.S. Underwriters and International Managers, including (i) certain purchases and sales between U.S. Underwriters and the International Managers, (ii) certain offers, sales, resales, deliveries or distributions to or through investment advisors or other persons exercising investment discretion, (iii) purchases, offers or sales by a U.S. Underwriter who is also acting as an International Manager or by an International Manager who is also acting as a U.S. Underwriter and (iv) other transactions specifically approved by the U.S. Representatives and the Lead Managers. As used herein, the term "U.S. or Canadian Person" means any resident or citizen of the United States or Canada, any corporation, partnership or other entity created or organized in or under the laws of the United States or Canada or any political subdivision thereof, or any estate or trust the income of which is subject to United States or Canadian federal income taxation regardless of the source, the term "United States" means the United States of America (including the District of Columbia) and its territories, its possessions and other areas subject to its jurisdiction, and the term "Canada" means Canada, its provinces, its territories, its possessions and other areas subject to its jurisdiction.

Pursuant to the Agreement Between the U.S. Underwriters and the International Managers, sales may be made between the U.S. Underwriters and the International Managers of such a number of shares of Common Stock as may be mutually agreed. The price of any shares so sold shall be the public offering price as then in effect for the shares of Common Stock being sold by the U.S. Underwriters and the International Managers less an amount equal to the selling concession allocable to such shares of Common Stock, unless otherwise determined by mutual agreement. To the extent that there are sales between the U.S. Underwriters and the International Managers pursuant to the Agreement Between the U.S. Underwriters and the International Managers the number of shares of Common Stock available for sale by the U.S. Underwriters or by the International Managers may be more or less than the amount specified on the cover page of this Prospectus.

Until the distribution of the Common Stock is completed, rules of the Commission may limit the ability of the U.S. Underwriters and certain selling group members to bid for and purchase shares of Common Stock. As an exception to these rules, the Representatives are permitted to engage in certain transactions that stabilize the price of the Common Stock. Such transactions may consist of bids or purchases for the purpose of pegging, fixing or maintaining the price of the Common Stock.

If the U.S. Underwriters create a short position in the Common Stock in connection with the Offering (i.e., if they sell more shares of Common Stock than are set forth on the cover page of this Prospectus), the U.S. Representatives may reduce that short position by purchasing Common Stock in the open market. The U.S. Representatives also may elect to reduce any short position by exercising all or part of the over-allotment option described herein.

The U.S. Representatives may also impose a penalty bid on certain U.S. Underwriters and selling group members. This means that, if the U.S. Representatives purchase shares of Common Stock in the open market to reduce the U.S. Underwriters' short position or to stabilize the price of the Common Stock, they may reclaim the amount of the selling concession from the U.S. Underwriters and selling group members who sold those shares as part of the Offering.

In general, purchases of a security for the purpose of stabilization or to reduce a syndicate short position could cause the price of the security to be higher than it might otherwise be in the absence of such purchases. The imposition of a penalty bid might have an effect on the price of a security to the extent that it were to discourage resales of the security by purchasers in the Offering.

Neither the Company nor any of the U.S. Underwriters makes any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the Common Stock. In addition, neither the Company nor any of the U.S. Underwriters makes any representation that the U.S. Representatives will engage in such transactions or that such transactions, once commenced, will not be discontinued without notice.

Each International Manager has represented and agreed that (i) it has not offered or sold and, prior to the date six months after the date of issue of the shares of Common Stock, will not offer or sell any shares of Common Stock to persons in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995, (ii) it has complied and will comply with all applicable provisions of the Financial Services Act 1986 with respect to anything done by it in relation to the shares of Common Stock in, from or otherwise involving the United Kingdom, and (iii) it has only issued or passed on, and will only issue or pass on to any person in the United Kingdom any document received by it in connection with the issue of the shares of Common Stock if that person is of a kind described in Article 11(3) of the Financial Services Act 1986 (Investment Advertisements) (Exemptions) Order 1996.

The Common Stock has been approved for listing, subject to notice of issuance, on The Nasdaq Stock Market's National Market under the symbol "TWRS".

The Company, all executive officers and directors of the Company and, subject to certain limited exceptions, all other existing stockholders of the Company have agreed that they will not, subject to certain limited exceptions, for a period of 180 days from the date of this Prospectus, directly or indirectly, offer for sale, sell or otherwise dispose of any shares of Common Stock or any securities convertible into or exchangeable or exercisable for any such shares of Common Stock or enter into any derivative transaction with similar effect as a sale of Common Stock, without the prior written consent of Lehman Brothers Inc. The restrictions described in this paragraph do not apply to (i) the sale of Common Stock to the Underwriters, (ii) the issuance by the Company of shares of Common Stock upon the exercise of an option or a warrant or the conversion of a security outstanding on the date of this Prospectus or (iii) transfers, without consideration, of the Common Stock to family members or to one or more trusts established for the benefit of one or more family members. Furthermore, an additional exception was made for each employee of the Company or its subsidiaries (excluding Mr. Crown, the Executives and the directors of the Company) that is a party to a lock-up agreement to permit each such employee to sell during the 180-day period described above up to 12% of the shares of Common Stock beneficially owned by such employee as of the date of this Prospectus; provided that such sales must be made in compliance with the registration requirements of the Securities Act or pursuant to an exemption therefrom; provided further that if any such employee is an Employee participating in the over-allotment option described above, then such Employee's eligibility for this additional exception is reduced by the number of shares sold upon exercise of the over-allotment option.

Any offer of the shares of Common Stock in Canada will be made only pursuant to an exemption from the prospectus filing requirement and an exemption from the dealer registration requirement (where such an exemption is not available, offers shall be made only by a registered dealer) in the relevant Canadian jurisdiction where such offer is made.

Purchasers of the shares of Common Stock offered hereby may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of purchase, in addition to the offering price set forth on the cover hereof.

The U.S. Underwriters and the International Managers have informed each of the Company, the Selling Stockholders, the Executives, the Employees and the Sponsors that they do not intend to sell to, and therefore will not confirm the sales of shares of Common Stock to discretionary accounts to exceed five percent of the total number of shares of Common Stock offered by them.

Lehman Brothers Inc. has provided investment banking, financial advisor and other services to the Company, for which services Lehman Brothers Inc. has received fees. In addition, Credit Suisse First Boston Corporation and its affiliates has provided investment banking services to the Company and CTI, for which it has received fees, and Credit Suisse First Boston, an affiliate of Credit Suisse First Boston Corporation, has acted as arranger and agent of the CTI Credit Facility in connection with which it has received fees. Salomon Smith Barney, an affiliate of Smith Barney Inc., has acted as advisor to TdF in connection with the negotiation of the Roll-Up, for which Salomon Smith Barney received fees, and William A. Murphy, a Director of Mergers & Acquisitions at Salomon Smith Barney, is expected to be elected as a director of the Company upon consummation of the Roll-Up.

VALIDITY OF COMMON STOCK

The validity of the Common Stock offered hereby will be passed upon for the Company by Cravath, Swaine & Moore, New York, New York, and for the Underwriters by Latham & Watkins, New York, New York.

EXPERTS

The consolidated financial statements and schedule of the Company at December 31, 1996 and 1997, and for each of the three years in the period ended December 31, 1997, the combined financial statements of Crown for each of the two years in the period ended December 31, 1996 and the seven months ended July 31, 1997, the financial statements of the Home Service Transmission business of the BBC at March 31, 1996 and for the year ended March 31, 1996 and the period from April 1, 1996 to February 27, 1997 and the consolidated financial statements of CTI at March 31, 1997 and December 31, 1997 and for the period from February 28, 1997 to March 31, 1997 and the period from April 1, 1997 to December 31, 1997, and the financial statements of TEA Group Incorporated at December 31, 1996 and for the year then ended, have been included herein in reliance upon the report of KPMG Peat Marwick LLP, independent certified public accountants, appearing elsewhere herein, and upon the authority of said firm as experts in accounting and auditing.

The financial statements of TEA Group Incorporated at December 31, 1995 and for the year then ended, appearing in this Prospectus and Registration Statement have been audited by Ernst & Young LLP, independent auditors, as set forth in their report thereon appearing elsewhere herein and are included in reliance upon such report given upon the authority of such firm as experts in accounting and auditing.

AVAILABLE INFORMATION

The Company has filed with the Commission a Registration Statement on Form S-1 under the Securities Act with respect to the Common Stock offered hereby (the "Registration Statement"). This Prospectus, which constitutes a part of the Registration Statement, does not contain all the information set forth in the Registration Statement, certain parts of which have been omitted from this Prospectus in accordance with the rules and regulations of the Commission. For further information with respect to the Company and the Common Stock offered hereby, reference is made to the Registration Statement, including the exhibits and schedules filed therewith. Statements made in this Prospectus concerning the contents of any document referred to herein are not necessarily complete. With respect to each such document filed with the Commission as an exhibit to the Registration Statement, reference is made to the exhibit for a more complete description of the matter involved, and each such document filed with the Commission as an exhibit to the Registration Statement, reference is made to the exhibit for a more complete description of the matter involved, and each such statement shall be deemed qualified in its entirety by such reference.

The Registration Statement, including the exhibits and scheduled thereto, such reports and other information can be inspected and copied at the Public Reference Section of the Commission at Room 1024, 450 Fifth Street, N.W., Judiciary Plaza, Washington, D.C. 20549 and at the regional offices of the Commission located at 7 World Trade Center, 13th Floor, Suite 1300, New York, New York 10048 and Suite 1400, Citicorp Center, 14th Floor, 500 West Madison Street, Chicago, Illinois 60661. Copies of such material can also be obtained at prescribed rates by writing to the Public Reference Section of the Commission at 450 Fifth Street, N.W., Judiciary Plaza, Washington, D.C. 20549 and its public reference facilities in New York, New York and Chicago, Illinois. The Commission also maintains a Web site that contains reports, proxy and information statements and other information regarding registrants, such as the Company, that file electronically with the Commission. The address of such site is <http://www.sec.gov>.

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CROWN CASTLE INTERNATIONAL CORP. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

(IN THOUSANDS OF DOLLARS, EXCEPT SHARE AMOUNTS)

ASSETS	DECEMBER 31, 1997	MARCH 31, 1998
	-----	-----
		(UNAUDITED)
Current assets:		
Cash and cash equivalents.....	\$ 55,078	\$ 53,395
Receivables:		
Trade, net of allowance for doubtful accounts of \$177 and \$157 at December 31, 1997 and March 31, 1998, respectively.....	9,264	9,908
Other.....	811	1,029
Inventories.....	1,322	1,220
Prepaid expenses and other current assets.....	681	1,028
	-----	-----
Total current assets.....	67,156	66,580
Property and equipment, net of accumulated depreciation of \$4,852 and \$6,142 at December 31, 1997 and March 31, 1998, respectively.....	81,968	105,034
Investments in affiliates.....	59,082	59,688
Goodwill and other intangible assets, net of accumulated amortization of \$3,997 and \$6,283 at December 31, 1997 and March 31, 1998, respectively..	152,541	150,468
Deferred financing costs and other assets, net of accumulated amortization of \$743 and \$834 at December 31, 1997 and March 31, 1998, respectively	10,644	10,918
	-----	-----
	\$371,391	\$392,688
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable.....	\$ 7,760	\$ 4,964
Accrued compensation and related benefits.....	1,792	1,451
Other accrued liabilities.....	2,398	1,651
	-----	-----
Total current liabilities.....	11,950	8,066
Long-term debt.....	156,293	187,299
Other liabilities.....	607	607
	-----	-----
Total liabilities.....	168,850	195,972
Commitments and contingencies		
Redeemable preferred stock, \$.01 par value; 6,435,228 shares authorized:		
Senior Convertible Preferred Stock; 657,495 shares issued (stated at redemption value; aggregate liquidation value of \$68,916 and \$71,874, respectively).....	67,948	70,003
Series A Convertible Preferred Stock; 1,383,333 shares issued (stated at redemption and aggregate liquidation value).....	8,300	8,300
Series B Convertible Preferred Stock; 864,568 shares issued (stated at redemption and aggregate liquidation value).....	10,375	10,375
Series C Convertible Preferred Stock; 3,529,832 shares issued (stated at redemption and aggregate liquidation value).....	74,126	74,126
	-----	-----
Total redeemable preferred stock.....	160,749	162,804
Stockholders' equity:		
Common stock, \$.01 par value; 11,511,109 shares authorized:		
Class A Common Stock; 1,041,565 shares issued....	2	2
Class B Common Stock; 9,367,165 shares issued....	19	19
Additional paid-in capital.....	58,248	58,358
Cumulative foreign currency translation adjustment.....	562	1,233
Accumulated deficit.....	(17,039)	(25,700)
	-----	-----
Total stockholders' equity	41,792	33,912
	-----	-----
	\$371,391	\$392,688
	=====	=====

See condensed notes to consolidated financial statements.

CROWN CASTLE INTERNATIONAL CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF OPERATIONS AND COMPREHENSIVE LOSS (UNAUDITED)

(IN THOUSANDS OF DOLLARS, EXCEPT PER SHARE AMOUNTS)

	THREE MONTHS ENDED MARCH 31,	
	1997	1998
Net revenues:		
Site rental.....	\$ 1,667	\$ 5,061
Network services and other.....	327	6,776
	-----	-----
	1,994	11,837
	-----	-----
Operating expenses:		
Costs of operations (exclusive of depreciation and amortization):		
Site rental.....	258	1,172
Network services and other.....	5	4,421
General and administrative.....	511	3,803
Corporate development.....	2,105	1,331
Depreciation and amortization	408	3,604
	-----	-----
	3,287	14,331
	-----	-----
Operating loss.....	(1,293)	(2,494)
Other income (expense):		
Equity in earnings (losses) of unconsolidated affiliate.....	197	(99)
Interest and other income.....	1,301	706
Interest expense and amortization of deferred financing costs.....	(626)	(4,706)
	-----	-----
Loss before income taxes.....	(421)	(6,593)
Provision for income taxes.....	(22)	(13)
	-----	-----
Net loss.....	(443)	(6,606)
Dividends on Senior Convertible Preferred Stock.....	--	(2,055)
	-----	-----
Net loss after deduction of dividends on Senior Convertible Preferred Stock.....	\$ (443)	\$ (8,661)
	=====	=====
Net loss.....	\$ (443)	\$ (6,606)
Other comprehensive income:		
Foreign currency translation adjustments.....	385	671
	-----	-----
Comprehensive loss.....	\$ (58)	\$ (5,935)
	=====	=====
Loss per common share--basic and diluted.....	\$ (0.13)	\$ (0.79)
	=====	=====
Common shares outstanding--basic and diluted (in thousands).....	3,400	10,954
	=====	=====

See condensed notes to consolidated financial statements.

CROWN CASTLE INTERNATIONAL CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

(IN THOUSANDS OF DOLLARS)

	THREE MONTHS ENDED MARCH 31,	
	1997	1998
	-----	-----
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss.....	\$ (443)	\$ (6,606)
Adjustments to reconcile net loss to net cash used for operating activities:		
Amortization of deferred financing costs and discount on long-term debt	34	4,207
Depreciation and amortization.....	408	3,604
Equity in losses (earnings) of unconsolidated affiliate..	(197)	99
Changes in assets and liabilities:		
Increase (decrease) in other liabilities.....	(229)	72
Decrease in accounts payable.....	(540)	(2,796)
Decrease (increase) in receivables.....	679	(862)
Increase in inventories, prepaid expenses and other assets.....	(251)	(669)
Decrease in accrued interest.....	(86)	--
	-----	-----
Net cash used for operating activities.....	(625)	(2,951)
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures.....	(232)	(24,539)
Investment in affiliate.....	(57,542)	--
	-----	-----
Net cash used for investing activities.....	(57,774)	(24,539)
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net borrowings under revolving credit agreements.....	3,300	27,050
Incurrence of financing costs.....	(549)	(1,243)
Proceeds from issuance of capital stock.....	69,626	--
Principal payments on long-term debt.....	(2,441)	--
Purchase of capital stock.....	(2,111)	--
	-----	-----
Net cash provided by financing activities.....	67,825	25,807
	-----	-----
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.....	9,426	(1,683)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD.....	7,343	55,078
	-----	-----
CASH AND CASH EQUIVALENTS AT END OF PERIOD.....	\$ 16,769	\$ 53,395
	=====	=====
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	\$ --
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Interest paid.....	\$ 671	\$ 486
Income taxes paid.....	--	--

See condensed notes to consolidated financial statements.

1. GENERAL

The information contained in the following notes to the consolidated financial statements is condensed from that which would appear in the annual consolidated financial statements; accordingly, the consolidated financial statements included herein should be reviewed in conjunction with the consolidated financial statements for the fiscal year ended December 31, 1997, and related notes thereto, of Crown Castle International Corp. included elsewhere herein. All references to the "Company" include Crown Castle International Corp. and its subsidiary companies unless otherwise indicated or the context indicates otherwise.

The consolidated financial statements included herein are unaudited; however, they include all adjustments (consisting only of normal recurring adjustments) which, in the opinion of management, are necessary to present fairly the consolidated financial position of the Company at March 31, 1998 and the consolidated results of operations and consolidated cash flows for the three months ended March 31, 1997 and 1998. Accounting measurements at interim dates inherently involve greater reliance on estimates than at year end. The results of operations for the interim periods presented are not necessarily indicative of the results to be expected for the entire year.

Recent Accounting Pronouncements

In February 1997, the Financial Accounting Standards Board (the "FASB") issued Statement of Financial Accounting Standards No. 128, Earnings per Share ("SFAS 128"). SFAS 128 establishes new standards for computing and presenting earnings per share ("EPS") amounts for companies with publicly held common stock or potential common stock. The new standards require the presentation of both basic and diluted EPS amounts for companies with complex capital structures. Basic EPS is computed by dividing income available to common stockholders by the weighted-average number of common shares outstanding for the period, and excludes the effect of potentially dilutive securities (such as options, warrants and convertible securities) which are convertible into common stock. Dilutive EPS reflects the potential dilution from such convertible securities. SFAS 128 is effective for periods ending after December 15, 1997. The Company has adopted the requirements of SFAS 128 in its financial statements for the year ended December 31, 1997.

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 the three months ended March 31, 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 will adopt the requirements of SFAS 131 in its financial statements for the year ending December 31, 1998.

CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

2. ACQUISITIONS

On May 12, 1997, the Company acquired all of the common stock of TEA Group Incorporated and TeleStructures, Inc. (collectively, "TEA"). On August 15, 1997, the Company acquired (i) substantially all of the assets, net of outstanding liabilities, of Crown Communications ("CCM") and (ii) all of the outstanding common stock of Crown Network Systems, Inc. ("CNS") and Crown Mobile Systems, Inc. ("CMS") (collectively, "Crown"). These business acquisitions 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. On a pro forma basis as if the TEA and Crown acquisitions and the investment in Castle Transmission Services (Holdings) Ltd ("CTI") had been consummated as of January 1, 1997, the Company had consolidated net revenues and a consolidated net loss for the three months ended March 31, 1997 of \$15,264,000 and \$1,526,000 (a loss of \$0.14 per common share), respectively. Such pro forma results reflect appropriate adjustments for depreciation and amortization, interest expense, amortization of deferred financing costs, income taxes and certain nonrecurring income and expenses recorded by the Company in connection with the investment in CTI. 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.

3. LONG-TERM DEBT

Long-term debt consists of the following:

	DECEMBER 31, 1997	MARCH 31, 1998
	-----	-----
	(IN THOUSANDS OF DOLLARS)	
Senior Credit Facility.....	\$ 4,700	\$ 31,750
10 5/8% Senior Discount Notes due 2007, net of discount.....	151,593	155,549
	-----	-----
	\$ 156,293	\$ 187,299
	=====	=====

Reporting Requirements Under the Indenture Governing the 10 5/8% Senior Discount Notes due 2007 (the "Indenture")

As of March 31, 1998, the Company does not have any Unrestricted Subsidiaries (as defined in the Indenture). The following information (as such capitalized terms are defined in the Indenture) is presented solely for the purpose of measuring compliance with respect to the terms of the Indenture; such information is not intended as an alternative measure of 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.

	(IN THOUSANDS OF DOLLARS)

Tower Cash Flow, for the three months ended March 31, 1998....	\$ 3,490
	=====
Consolidated Cash Flow, for the twelve months ended March 31, 1998.....	\$ 10,934
Less: Tower Cash Flow, for the twelve months ended March 31, 1998.....	(12,941)
Plus: four times Tower Cash Flow, for the three months ended March 31, 1998.....	13,960

Adjusted Consolidated Cash Flow, for the twelve months ended March 31, 1998.....	\$ 11,953
	=====

4. 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

CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

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:

	THREE MONTHS ENDED MARCH 31,	
	1997	1998

	(IN THOUSANDS OF DOLLARS, EXCEPT PER SHARE AMOUNTS)	
Net loss.....	\$ (443)	\$ (6,606)
Dividends on Senior Convertible Preferred Stock...	--	(2,055)

Net loss applicable to common stock for basic and diluted computations.....	\$ (443)	\$ (8,661)
	=====	
Weighted-average number of common shares outstanding during the period for basic and diluted computations (in thousands).....	3,400	10,954
	=====	
Loss per common share--basic and diluted.....	\$ (0.13)	\$ (0.79)
	=====	

The calculations of common shares outstanding for the diluted computations exclude the following potential common shares as of March 31, 1998: (i) options to purchase 4,685,510 shares of common stock at exercise prices ranging from \$.40 to \$7.50 per share; (ii) warrants to purchase 1,314,990 shares of common stock at an exercise price of \$7.50 per share; (iii) shares of Senior Convertible Preferred Stock which are convertible into 9,323,730 shares of common stock; and (iv) shares of Series A Convertible Preferred Stock, Series B Convertible Preferred Stock and Series C Convertible Preferred Stock which are convertible into 28,888,665 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 both periods presented.

5. CONTINGENCIES

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.

6. SUBSEQUENT EVENTS

On April 24, 1998, the Company entered into a share exchange agreement with certain shareholders of CTI pursuant to which certain of CTI's shareholders have agreed to exchange their shares of CTI for shares of the Company. Upon the consummation of the exchange, the Company's ownership of CTI will increase from approximately 34.3% to approximately 80%. Consummation of the share exchange is subject to a number of significant conditions, including certain third party consents and the consummation of an initial public offering of common stock by the Company.

In connection with the share exchange, the Company intends to offer shares of its common stock in an underwritten initial public offering during the summer of 1998. On June 19, 1998, a registration statement in respect of such initial public offering was filed with the Securities and Exchange Commission (as amended, the "Registration Statement") and any securities offered in such initial public offering will only be offered by means of a prospectus forming a part of such Registration Statement.

In anticipation of such initial public offering, the Company (i) 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 (ii) 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.

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 will vest upon consummation of the initial public offering 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 an expected director nominee) 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 CTI's shareholders and at prices substantially below the expected price to the public in the initial public offering, the Company will record 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 initial public offering. Such compensation charge will total approximately \$35.1 million, of which approximately \$20.2 million will be recognized upon consummation of the initial public offering (for such options and shares which vest upon consummation of the initial public offering), and the remaining \$14.9 million will be recognized over five years (approximately \$3.0 million per year) through the second quarter of 2003.

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, 1996 and 1997, and the related consolidated statements of operations, cash flows and stockholders' equity (deficit) for each of the three years in the period ended December 31, 1997. 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, 1996 and 1997, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1997, in conformity with generally accepted accounting principles.

KPMG Peat Marwick LLP

Houston, Texas

February 20, 1998 (July 24, 1998 as to Note 14)

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CROWN CASTLE INTERNATIONAL CORP. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

(IN THOUSANDS OF DOLLARS, EXCEPT SHARE AMOUNTS)

	DECEMBER 31,	
	1996	1997
ASSETS	-----	-----
Current assets:		
Cash and cash equivalents.....	\$ 7,343	\$ 55,078
Receivables:		
Trade, net of allowance for doubtful accounts of \$32 and \$177 at December 31, 1996 and 1997, respectively.....	840	9,264
Other.....	1,081	811
Inventories.....	--	1,322
Prepaid expenses and other current assets.....	149	681
	-----	-----
Total current assets.....	9,413	67,156
Property and equipment, net.....	26,753	81,968
Investments in affiliates.....	2,101	59,082
Goodwill and other intangible assets, net of accumulated amortization of \$47 and \$3,997 at December 31, 1996 and 1997, respectively.....	820	152,541
Deferred financing costs and other assets, net of accumulated amortization of \$153 and \$743 at December 31, 1996 and 1997, respectively	2,139	10,644
	-----	-----
	\$41,226	\$371,391
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities:		
Accounts payable.....	\$ 1,048	\$ 7,760
Accrued interest.....	49	--
Accrued compensation and related benefits.....	--	1,792
Other accrued liabilities.....	508	2,398
Long-term debt, current maturities.....	140	--
	-----	-----
Total current liabilities.....	1,745	11,950
Accrued interest.....	729	--
Long-term debt, less current maturities.....	21,912	156,293
Site rental deposits and other liabilities.....	1,500	607
	-----	-----
Total liabilities.....	25,886	168,850
	-----	-----
Commitments and contingencies (Note 11)		
Redeemable preferred stock, \$.01 par value; 6,435,228 shares authorized:		
Senior Convertible Preferred Stock; shares issued: December 31, 1996--none and December 31, 1997--657,495 (stated at redemption value; aggregate liquidation value of \$0 and \$68,916, respectively).....	--	67,948
Series A Convertible Preferred Stock; shares issued: December 31, 1996--862,455 and December 31, 1997--1,383,333 (stated at redemption and aggregate liquidation value).....	5,175	8,300
Series B Convertible Preferred Stock; 864,568 shares issued (stated at redemption and aggregate liquidation value).....	10,375	10,375
Series C Convertible Preferred Stock; shares issued: December 31, 1996--none and December 31, 1997--3,529,832 (stated at redemption and aggregate liquidation value)..	--	74,126
	-----	-----
Total redeemable preferred stock.....	15,550	160,749
	-----	-----
Stockholders' equity (deficit):		
Common stock, \$.01 par value; 11,511,109 shares authorized:		
Class A Common Stock; shares issued: December 31, 1996--1,350,000 and December 31, 1997--1,041,565	3	2
Class B Common Stock; shares issued: December 31, 1996--1,488,330 and December 31, 1997 -- 9,367,165	3	19
Additional paid-in capital.....	762	58,248
Cumulative foreign currency translation adjustment.....	--	562
Accumulated deficit.....	(978)	(17,039)
	-----	-----
Total stockholders' equity (deficit)	(210)	41,792
	-----	-----
	\$41,226	\$371,391
	=====	=====

See notes to consolidated financial statements.

CROWN CASTLE INTERNATIONAL CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF OPERATIONS

(IN THOUSANDS OF DOLLARS, EXCEPT PER SHARE AMOUNTS)

	YEARS ENDED DECEMBER 31,		
	1995	1996	1997
Net revenues:			
Site rental.....	\$ 4,052	\$ 5,615	\$ 11,010
Network services and other.....	6	592	20,395
	-----	-----	-----
	4,058	6,207	31,405
	-----	-----	-----
Operating expenses:			
Costs of operations (exclusive of depreciation and amortization):			
Site rental.....	1,226	1,292	2,213
Network services and other.....	--	8	13,137
General and administrative.....	729	1,678	6,824
Corporate development.....	204	1,324	5,731
Depreciation and amortization.....	836	1,242	6,952
	-----	-----	-----
	2,995	5,544	34,857
	-----	-----	-----
Operating income (loss).....	1,063	663	(3,452)
Other income (expense):			
Equity in losses of unconsolidated affiliate.....	--	--	(1,138)
Interest and other income.....	53	193	1,951
Interest expense and amortization of deferred financing costs.....	(1,137)	(1,803)	(9,254)
	-----	-----	-----
Loss before income taxes.....	(21)	(947)	(11,893)
Provision for income taxes.....	--	(10)	(49)
	-----	-----	-----
Net loss.....	(21)	(957)	(11,942)
Dividends on Senior Convertible Preferred Stock.....	--	--	(2,199)
	-----	-----	-----
Net loss after deduction of dividends on Senior Convertible Preferred Stock.....	\$ (21)	\$ (957)	\$ (14,141)
	=====	=====	=====
Loss per common share--basic and diluted.....	\$ (0.01)	\$ (0.27)	\$ (2.27)
	=====	=====	=====
Common shares outstanding--basic and diluted (in thousands).....	3,316	3,503	6,238
	=====	=====	=====

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,		
	1995	1996	1997
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss.....	\$ (21)	\$ (957)	\$(11,942)
Adjustments to reconcile net loss to net cash provided by (used for) operating activities:			
Depreciation and amortization.....	836	1,242	6,952
Amortization of deferred financing costs and discount on long-term debt.....	36	55	2,159
Equity in losses of unconsolidated affiliate....	--	--	1,138
Changes in assets and liabilities, excluding the effects of acquisitions:			
Increase in accounts payable.....	406	323	1,824
Decrease (increase) in receivables.....	(226)	(1,695)	1,353
Increase in inventories, prepaid expenses and other assets.....	(63)	(23)	(1,472)
Increase (decrease) in accrued interest.....	472	306	(396)
Increase (decrease) in other liabilities.....	232	219	(240)
Net cash provided by (used for) operating activities.....	1,672	(530)	(624)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investments in affiliates.....	--	(2,101)	(59,487)
Acquisitions of businesses, net of cash acquired..	(16,512)	(10,925)	(33,962)
Capital expenditures.....	(161)	(890)	(18,035)
Net cash used for investing activities.....	(16,673)	(13,916)	(111,484)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issuance of long-term debt.....	6,168	--	150,010
Proceeds from issuance of capital stock.....	5,072	10,503	139,867
Principal payments on long-term debt.....	--	(130)	(113,881)
Incurrence of financing costs.....	(343)	(180)	(7,798)
Net borrowings (payments) under revolving credit agreements.....	4,700	11,000	(6,223)
Purchase of capital stock.....	--	--	(2,132)
Net cash provided by financing activities.....	15,597	21,193	159,843
NET INCREASE IN CASH AND CASH EQUIVALENTS.....	596	6,747	47,735
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR....	--	596	7,343
CASH AND CASH EQUIVALENTS AT END OF YEAR.....	\$ 596	\$ 7,343	\$ 55,078
SUPPLEMENTARY SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:			
Conversion of stockholder's Convertible Secured Subordinated Notes to Series A Convertible Preferred Stock.....	\$ 743	\$ --	\$ 3,657
Amounts recorded in connection with acquisitions (see Note 2):			
Fair value of net assets acquired, including goodwill and other intangible assets.....	17,801	10,958	197,235
Issuance of long-term debt.....	762	--	78,102
Assumption of long-term debt.....	295	--	27,982
Issuance of Class B Common Stock.....	--	--	57,189
Amounts due to seller.....	232	33	--
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Interest paid.....	\$ 628	\$ 1,442	\$ 7,533
Income taxes paid.....	--	--	26

See notes to consolidated financial statements.

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		ADDITIONAL PAID-IN CAPITAL	CUMULATIVE FOREIGN CURRENCY TRANSLATION ADJUSTMENT	ACCUMULATED DEFICIT	TOTAL
	SHARES	(\$.01 PAR)	SHARES	(\$.01 PAR)				
Balance, January 1, 1995.....	--	\$ --	--	\$ --	\$ --	\$ --	\$ --	\$ --
Issuances of capital stock.....	1,350,000	3	1,433,330	3	634	--	--	640
Net loss.....	--	--	--	--	--	--	(21)	(21)
Balance, December 31, 1995.....	1,350,000	3	1,433,330	3	634	--	(21)	619
Issuances of capital stock.....	--	--	55,000	--	128	--	--	128
Net loss.....	--	--	--	--	--	--	(957)	(957)
Balance, December 31, 1996.....	1,350,000	3	1,488,330	3	762	--	(978)	(210)
Issuances of capital stock.....	--	--	8,228,835	17	57,696	--	--	57,713
Purchase of capital stock.....	(308,435)	(1)	(350,000)	(1)	(210)	--	(1,920)	(2,132)
Foreign currency translation adjustments.....	--	--	--	--	--	562	--	562
Dividends on Senior Convertible Preferred Stock.....	--	--	--	--	--	--	(2,199)	(2,199)
Net loss.....	--	--	--	--	--	--	(11,942)	(11,942)
Balance, December 31, 1997.....	1,041,565	\$ 2	9,367,165	\$ 19	\$58,248	\$562	\$(17,039)	\$41,792
	=====	=====	=====	=====	=====	=====	=====	=====

See notes to consolidated financial statements.

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. and its 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 (a Delaware corporation) was organized on April 20, 1995. On April 27, 1995, the stockholders of Castle Tower Corporation ("CTC") contributed all of the outstanding shares of CTC's stock to the Company in exchange for shares of the Company's stock. CTC (a Delaware corporation) was organized on December 21, 1994 and began operations on January 1, 1995. The Company and CTC have treated this exchange of securities as a reorganization of entities under common control. As such, the transaction has been accounted for as if it were a pooling of interests on January 1, 1995.

The Company owns, operates and manages wireless transmission towers and rooftop sites, and also provides an array of related infrastructure and network support services to the wireless communications and radio and television broadcasting industries. The Company's primary business focus is the leasing of antenna space on multiple tenant towers and rooftops to a variety of wireless communications carriers under long-term lease contracts. The Company's transmission towers and rooftop sites are located throughout the United States and in Puerto Rico.

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.

In March 1995, the Financial Accounting Standards Board (the "FASB") issued Statement of Financial Accounting Standards No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of ("SFAS 121"). SFAS 121 requires that long-lived assets and certain identifiable intangibles be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

an asset may not be recoverable. SFAS 121 was effective for fiscal years beginning after December 15, 1995. The adoption of SFAS 121 by the Company in 1996 did not have a material impact on its consolidated financial statements.

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 twenty 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 ten 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. At December 31, 1997, other accrued liabilities includes \$1,160,000 of such costs related to the issuance of the Company's 10 5/8% Senior Discount Notes.

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.

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 site selection and acquisition 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

CROWN CASTLE INTERNATIONAL CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

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,		
	1995	1996	1997
	(IN THOUSANDS OF DOLLARS, EXCEPT PER SHARE AMOUNTS)		
Net loss.....	\$ (21)	\$ (957)	\$ (11,942)
Dividends on Senior Convertible Preferred Stock...	--	--	(2,199)
Net loss applicable to common stock for basic and diluted computations.....	\$ (21)	\$ (957)	\$ (14,141)
Weighted-average number of common shares outstanding during the period for basic and diluted computations (in thousands).....	3,316	3,503	6,238
Loss per common share--basic and diluted.....	\$ (0.01)	\$ (0.27)	\$ (2.27)

The calculations of common shares outstanding for the diluted computations exclude the following potential common shares as of December 31, 1997: (i) options to purchase 3,694,375 shares of common stock at exercise prices ranging from \$.40 to \$7.50 per share; (ii) warrants to purchase 1,314,990 shares of common stock at an exercise price of \$7.50 per share; (iii) shares of Senior Convertible Preferred Stock which are convertible into 9,050,060 shares of common stock; and (iv) shares of Series Preferred Stock (see Note 7) which are convertible into 28,888,665 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, 1997.

Financial Instruments

The carrying amount of cash and cash equivalents approximates fair value for these instruments. The estimated fair value of the 10 5/8% Senior Discount Notes is based on quoted market prices, and the estimated fair value of the Convertible Secured Subordinated Notes is based on the most recent price at which shares of the Company's stock were sold (see Note 5). 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, 1996		DECEMBER 31, 1997	
	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
	(IN THOUSANDS OF DOLLARS)			
Cash and cash equivalents.....	\$ 7,343	\$ 7,343	\$ 55,078	\$ 55,078
Long-term debt.....	(22,052)	(25,736)	(156,293)	(161,575)
Interest rate swap agreement.....	--	--	--	(97)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

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 hold or issue derivative financial instruments for trading purposes.

Stock Options

In October 1995, 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 plan (see Note 8). 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 8 for the disclosures required by SFAS 123.

Recent Accounting Pronouncements

In February 1997, the FASB issued Statement of Financial Accounting Standards No. 128, Earnings per Share ("SFAS 128"). SFAS 128 establishes new standards for computing and presenting earnings per share ("EPS") amounts for companies with publicly held common stock or potential common stock. The new standards require the presentation of both basic and diluted EPS amounts for companies with complex capital structures. Basic EPS is computed by dividing income available to common stockholders by the weighted-average number of common shares outstanding for the period, and excludes the effect of potentially dilutive securities (such as options, warrants and convertible securities) which are convertible into common stock. Dilutive EPS reflects the potential dilution from such convertible securities. SFAS 128 is effective for periods ending after December 15, 1997. The Company has adopted the requirements of SFAS 128 in its financial statements for the year ended December 31, 1997.

In February 1997, the FASB issued Statement of Financial Accounting Standards No. 129, Disclosure of Information about Capital Structure ("SFAS 129"). SFAS 129 establishes standards for disclosing information about a company's outstanding debt and equity securities and eliminates exemptions from such reporting requirements for nonpublic companies. SFAS 129 is effective for periods ending after December 15, 1997. The Company has adopted the requirements of SFAS 129 in its financial statements for the year ended December 31, 1996.

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 will adopt the requirements of SFAS 130 in 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

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 will adopt the requirements of SFAS 131 in its financial statements for the year ending December 31, 1998.

2. ACQUISITIONS

During the three years in the period ended December 31, 1997, the Company consummated a number of business 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.

Pittencrieff Communications, Inc. ("PCI")

From January 9, 1995 through November 1, 1995, the Company acquired 127 telecommunications towers and related assets, net of certain outstanding liabilities, from PCI. The total purchase price of \$16,179,000 consisted of \$15,122,000 in cash, a note payable to PCI for \$762,000 and the assumption of a note payable to a third party for \$295,000.

The Company entered into a license agreement with PCI under which PCI leases space on certain of the towers for its telecommunications equipment. This license agreement was assumed by Nextel Communications, Inc. ("Nextel") upon its acquisition of PCI in 1997. The license agreement commenced on January 1, 1995 and expires on December 31, 2008, at which time Nextel has the option to renew the license agreement for an additional three year term.

The Company also entered into a management agreement with PCI under which PCI managed the towers for the Company. The term of this management agreement was for one year commencing on January 1, 1995. The Company paid a management fee to PCI equal to 15% of the revenues generated by the towers. Such management fees amounted to \$553,000 for the year ended December 31, 1995. The Company began managing the towers on January 1, 1996.

Spectrum Engineering Company ("Spectrum")

On October 30, 1995, the Company acquired substantially all of the property and equipment of Spectrum for \$1,185,000 in cash. Spectrum provides management services for building rooftop antenna sites. The Company recognized goodwill of \$870,000 in connection with this acquisition.

Motorola, Inc. ("Motorola")

On June 28, 1996, the Company acquired fifteen telecommunications towers and related assets, and assets related to specialized mobile radio and microwave services, from Motorola in Puerto Rico. The purchase price consisted of \$9,919,000 in cash. Motorola provided certain management services related to these assets for a period of ninety days after the closing date. Management fees for such services amounted to \$57,000 for the year ended December 31, 1996.

Other Acquisitions

During 1995 and 1996, the Company acquired a number of other telecommunications towers and related equipment from various sellers. The aggregate total purchase price for these acquisitions of \$1,476,000 consisted of \$1,211,000 in cash and a \$265,000 payable to a seller.

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

CROWN CASTLE INTERNATIONAL CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

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 (i) substantially all of the assets, net of outstanding liabilities, of CCM and (ii) 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 7), 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 CTC with and into CCI, establishing CCI as the principal operating subsidiary of the Company.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

Pro Forma Results of Operations (Unaudited)

The following unaudited pro forma summary presents consolidated results of operations for the Company as if (i) the Motorola and other acquisitions had been consummated on January 1, 1996 and (ii) the TEA and Crown acquisitions and the investment in Castle Transmission Services (Holdings) Ltd ("CTI") had been consummated as of January 1 for both 1996 and 1997. Appropriate adjustments have been reflected for depreciation and amortization, interest expense, amortization of deferred financing costs, income taxes and certain nonrecurring income and expenses recorded by the Company in connection with the investment in CTI (see Note 4). 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,	
	1996	1997

	(IN THOUSANDS OF DOLLARS, EXCEPT PER SHARE AMOUNTS)	
Net revenues.....	\$ 45,480	\$ 56,851
Net loss.....	(14,475)	(16,082)
Loss per common share--basic and diluted.....	(4.13)	(1.47)

Agreement with Nextel

On July 11, 1997, the Company entered into an agreement with Nextel (the "Nextel Agreement") whereby the Company has 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 February 20, 1998, the Company had purchased 36 of such towers for an aggregate price of \$8,383,000 in cash. In addition, the Nextel Agreement provides the Company with the option to construct or purchase up to 250 new towers for Nextel in various geographic corridors.

3. PROPERTY AND EQUIPMENT

The major classes of property and equipment are as follows:

	ESTIMATED USEFUL LIVES	DECEMBER 31,	
		1996	1997

		(IN THOUSANDS OF DOLLARS)	
Land.....		\$ 125	\$ 1,053
Telecommunications towers	5-20 years	24,295	72,834
Transportation and other equip- ment.....	5-10 years	--	4,379
Telecommunications equipment.....	20 years	3,690	4,013
Office furniture and equipment....	5-7 years	612	4,541
		-----	-----
		28,722	86,820
Less: accumulated depreciation....		(1,969)	(4,852)
		-----	-----
		\$ 26,753	\$ 81,968
		=====	=====

Depreciation expense for the years ended December 31, 1996 and 1997 was \$1,151,000 and \$2,886,000, respectively. Accumulated depreciation on telecommunications towers and related equipment was \$1,820,000 and \$3,850,000 at December 31, 1996 and 1997, respectively. At December 31, 1997, minimum rentals receivable under existing operating leases for towers are as follows: years ending December 31, 1998--\$15,307,000; 1999--\$13,614,000; 2000--\$12,270,000; 2001--\$10,108,000; 2002--\$3,442,000; thereafter--\$3,195,000.

4. INVESTMENTS IN AFFILIATES

Investment in Castle Transmission Services (Holdings) Ltd ("CTI")

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 7) to purchase an ownership interest of approximately 34.3% in CTI (a company incorporated under the laws of England and Wales). The Company led a consortium of investors which provided the equity financing for CTI. The funds invested by the consortium were used by CTI 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 CTI amounted to approximately \$57,542,000. The Company accounts for its investment in CTI utilizing the equity method of accounting.

In March 1997, as compensation for leading the investment consortium, the Company received a fee from CTI 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 CTI as reimbursement for costs incurred prior to the closing of the purchase from the BBC. At December 31, 1996, approximately \$953,000 of such reimbursable costs are included in other receivables on the Company's consolidated balance sheet.

The Company receives a monthly service fee from CTI of approximately \$33,000 as compensation for certain management services. This fee is included in network services and other revenues on the Company's consolidated statement of operations.

CTI uses the British pound as the functional currency for its operations. The Company translates its equity in the earnings and losses of CTI using the average exchange rate for the period, and translates its investment in CTI 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.

In June 1997, as compensation for the successful completion of the investment in CTI 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.

CROWN CASTLE INTERNATIONAL CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

Summarized financial information for CTI is as follows:

	DECEMBER 31, 1997
	----- (IN THOUSANDS OF DOLLARS)
Current assets.....	\$ 37,510
Property and equipment, net.....	341,737
Goodwill, net.....	76,029

	\$455,276
	=====
Current liabilities.....	\$ 48,103
Long-term debt.....	237,299
Other liabilities.....	3,453
Redeemable preferred stock.....	174,944
Stockholders' equity (deficit).....	(8,523)

	\$455,276
	=====
	TEN MONTHS ENDED DECEMBER 31, 1997
	----- (IN THOUSANDS OF DOLLARS)
Net revenues.....	\$103,531
Operating expenses.....	86,999

Operating income.....	16,532
Interest income.....	553
Interest expense and amortization of deferred fi- nancing costs.....	(20,404)
Provision for income taxes.....	--

Net loss.....	\$ (3,319)
	=====

Investment in Visual Intelligence Systems, Inc. ("VISI")

On June 23, 1997, the Company made an investment in VISI of \$2,000,000 (of which \$100,000 was paid in 1996). VISI intends to provide computerized geographic information for a variety of business applications, including the acquisition and design of telecommunications sites. The Company's investment was made in the form of 15,000 shares of VISI's common stock at a price of \$2.00 per share, along with a Convertible Subordinated Note for \$1,970,000 (the "VISI Note"). The VISI Note is convertible (at the option of the Company) into shares of VISI's common stock at a conversion price of \$2.00 per share, bears interest at 7.11% per year and is due on May 31, 2007. The 15,000 shares of common stock purchased by the Company represent an ownership interest of approximately 1.14% in VISI. The Company accounts for its investment in VISI's common stock utilizing the cost method of accounting.

5. LONG-TERM DEBT

Long-term debt consists of the following:

	DECEMBER 31,	
	1996	1997
	(IN THOUSANDS OF DOLLARS)	
Senior Credit Facility.....	\$ --	\$ 4,700
Bank Credit Agreement:		
Revolving Credit Facility.....	15,700	--
Term Note.....	2,300	--
10 5/8% Senior Discount Notes due 2007, net of discount..	--	151,593
Promissory Note payable to PCI.....	632	--
Convertible Secured Subordinated Notes payable to stockholder.....	3,125	--
Other.....	295	--
	22,052	156,293
Less: current maturities.....	(140)	--
	\$21,912	\$156,293
	=====	=====

Bank Credit Agreement and Senior Credit Facility

On April 26, 1995, CTC entered into a credit agreement with a bank (as amended, the "Bank Credit Agreement"). The Bank Credit Agreement consisted of secured revolving lines of credit (the "Revolving Credit Facility") and a \$2,300,000 term note (the "Term Note"). On January 17, 1997, the Bank Credit Agreement was amended to: (i) increase the available borrowings under the Revolving Credit Facility to \$50,000,000; (ii) repay the Term Note, along with accrued interest thereon, with borrowings under the Revolving Credit Facility; and (iii) extend the termination date for the Bank Credit Agreement to December 31, 2003. Available borrowings under the Revolving Credit Facility were generally to be used to construct new towers and to finance a portion of the purchase price for towers and related assets. The amount of available borrowings was determined based on the current financial performance (as defined) of: (i) the assets to be acquired; and (ii) assets acquired in previous acquisitions. In addition, up to \$5,000,000 of borrowing availability under the Revolving Credit Facility could be used for letters of credit.

In October 1997, the Bank Credit Agreement was amended to (i) increase the available borrowings to \$100,000,000; (ii) include the lending bank under Crown's bank credit agreement as a participating lender; and (iii) extend the maturity date to December 31, 2004 (as amended, the "Senior Credit Facility"). 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 7), were used to repay (i) the promissory note payable to the former stockholders of Crown and (ii) the outstanding borrowings under Crown's bank credit agreement (see Note 2). 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). As of December 31, 1997, approximately \$93,600,000 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, 1997. Upon the merger of CTC into CCI in January 1998, CCI became the primary borrower under the Senior Credit Facility.

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 the Company's subsidiaries and the Company's pledge of the capital stock of its subsidiaries. In addition, the Senior Credit Facility is guaranteed by the Company. As of December 31, 1997, 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% (10.0% and 8.98%, respectively, at December 31, 1997). 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, 1997, the financial test permitted a reduction of 1.5% in the interest rate margin for prime rate borrowings and 2.25% 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.

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

On November 25, 1997, the Company issued \$251,000,000 aggregate principal amount of the Notes for cash proceeds of \$150,010,000 (net of original issue discount). The Company used a portion of the net proceeds from the sale of the Notes to (i) repay all of the outstanding borrowings, including accrued interest thereon, under the Senior Credit Facility; (ii) repay the promissory notes payable, including accrued interest thereon, to the former stockholders of TEA (see Note 2); (iii) repay the Promissory Note payable, including accrued interest thereon, to PCI; and (iv) repay outstanding installment debt assumed in connection with the Crown acquisition (see Note 2).

The 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 Notes is November 15, 2007. The Notes are net of unamortized discount of \$99,407,000 at December 31, 1997.

The 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 Notes are redeemable at par. Prior to November 15, 2000, the Company may redeem up to 35% of the aggregate principal amount of the 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.

The Notes 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 indenture governing the Notes (the "Indenture") 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. As of December 31, 1997, the Company was precluded from paying dividends on its capital stock under the terms of the Indenture.

Reporting Requirements Under the Indenture (Unaudited)

As of December 31, 1997, the Company does not have any Unrestricted Subsidiaries (as defined in the Indenture). The following information (as such capitalized terms are defined in the Indenture) is presented solely for the purpose of measuring compliance with respect to the terms of the Indenture; such information is not intended as an alternative measure of operating results or cash flow from operations (as determined in accordance

CROWN CASTLE INTERNATIONAL CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

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.

	(IN THOUSANDS OF DOLLARS)

Tower Cash Flow, for the three months ended December 31, 1997....	\$ 3,118
	=====
Consolidated Cash Flow, for the twelve months ended December 31, 1997.....	\$ 13,150
Less: Tower Cash Flow, for the twelve months ended December 31, 1997.....	(10,625)
Plus: four times Tower Cash Flow, for the three months ended De- cember 31, 1997.....	12,472

Adjusted Consolidated Cash Flow, for the twelve months ended De- cember 31, 1997.....	\$ 14,997
	=====

Promissory Note Payable to PCI

This note bore interest at a rate of 8% per annum, called for equal annual payments of principal and interest and was secured by the tower sites purchased from PCI. The Company repaid this note with a portion of the proceeds from the issuance of its 10 5/8% Senior Discount Notes (as discussed above).

Convertible Secured Subordinated Notes Payable to Stockholder

These notes accrued interest at a rate of 8% per annum, payable at maturity, and were secured by substantially all of CTC's assets. The notes provided that the holder had the option, at any time, to convert such notes, in whole or in part, into shares of the Company's Series A Convertible Preferred Stock at a conversion price of \$6.00 per share. On April 27, 1995, a portion of the notes with aggregate principal balances of \$743,000 was converted into 123,742 shares of the Company's stock and the related accrued interest was paid to the holder. On February 24, 1997, the remaining \$3,125,000 principal amount of the notes was converted into 520,878 shares of the Company's stock and, by mutual agreement with the holder, the related accrued interest was forfeited. Upon conversion of the notes, the principal amount and the forfeited interest were accounted for as increases to redeemable preferred stock and additional paid-in capital, respectively.

Restricted Net Assets of Subsidiaries

Under the terms of the Senior Credit Facility, the Company's subsidiaries are limited in the amount of dividends which can be paid to the Company. The amount of such dividends is limited to (i) \$6,000,000 per year until October 31, 2002, and \$33,000,000 per year thereafter, and (ii) an amount to pay income taxes attributable to the Company's subsidiaries. The restricted net assets of the Company's subsidiaries totaled \$232,229,000 at December 31, 1997.

Interest Rate Swap Agreement

The interest rate swap agreement has an outstanding notional amount of \$17,925,000 at January 29, 1997 (inception) and terminates on February 24, 1999. The Company pays a fixed rate of 6.28% on the notional amount and receives a floating rate based on LIBOR. This agreement effectively changes 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. 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

6. INCOME TAXES

The provision for income taxes consists of the following:

	YEARS ENDED DECEMBER 31,		
	1995	1996	1997

	(IN THOUSANDS OF DOLLARS)		
Current:			
Puerto Rico.....	\$ --	\$ 10	\$ 49
	=====	=====	=====

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,		
	1995	1996	1997

	(IN THOUSANDS OF DOLLARS)		
Benefit for income taxes at statutory rate...	\$ (7)	\$ (322)	\$(4,044)
Amortization of intangible assets	--	--	478
Puerto Rico taxes.....	--	10	49
Expenses for which no federal tax benefit was recognized.....	5	5	28
Changes in valuation allowances.....	2	315	3,650
Other.....	--	2	(112)

	\$ --	\$ 10	\$ 49
	=====	=====	=====

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

	DECEMBER 31,	
	1996	1997

	(IN THOUSANDS OF DOLLARS)	
Deferred income tax liabilities:		
Property and equipment.....	\$ 1,307	\$ 2,487
Intangible assets.....	49	276
Puerto Rico earnings.....	--	75
Other.....	--	38

Total deferred income tax liabilities.....	1,356	2,876

Deferred income tax assets:		
Net operating loss carryforwards.....	1,639	6,800
Noncompete agreement.....	19	37
Receivables allowance.....	15	6
Valuation allowances.....	(317)	(3,967)

Total deferred income tax assets, net.....	1,356	2,876

Net deferred income tax liabilities.....	\$ --	\$ --
	=====	=====

Valuation allowances of \$317,000 and \$3,967,000 were recognized to offset net deferred income tax assets as of December 31, 1996 and 1997, respectively.

At December 31, 1997, the Company has net operating loss carryforwards of approximately \$20,000,000 which are available to offset future federal taxable income. These loss carryforwards will expire in 2010 through 2012. The utilization of the loss carryforwards is subject to certain limitations.

7. REDEEMABLE 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 are entitled to receive cumulative dividends at the rate of 12.5% per share, compounded annually. At December 31, 1997, such accrued and unpaid dividends amounted to \$2,199,000. Any payment of such dividends would be in the form of additional shares of Senior Preferred Stock until such time as the Company is permitted to pay cash dividends on its capital stock under the terms of the Indenture (see Note 5). At the option of the holder, each share of Senior Preferred Stock (plus any accrued and unpaid dividends) is convertible, at any time, into shares of the Company's Class B 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 represents the estimated fair value of the Class B Common Stock on that date. The holders of the Senior Preferred Stock are entitled to vote together with the holders of the Company's other preferred stock on an as-converted basis.

The Company has the one-time right, within one year from the date of issuance, to redeem 50% of the outstanding shares of Senior Preferred Stock at a price per share which represents an annualized cumulative rate of return of 18%. If not earlier converted or redeemed, the shares of Senior Preferred Stock are subject to mandatory redemption by the Company, at a price per share of \$100 plus any accrued and unpaid dividends through that date, upon the earlier of (i) 91 days after the tenth anniversary date of the issuance of the Notes; or (ii) May 15, 2008. The Senior Preferred Stock also calls for a preference, in the event of a liquidation or a change in voting control, equal to a price per share which represents an annualized cumulative rate of return of 18%. With respect to dividend, redemption and liquidation preferences, the rights of the holders of the Senior Preferred Stock are senior to the Company's other preferred and common stock.

The purchasers of the Senior Preferred Stock were also issued warrants to purchase an aggregate 1,314,990 shares of the Company's Class B 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 represents the estimated fair value of the Class B Common Stock on that date. As such, the Company has not assigned any value to the warrants in its consolidated financial statements.

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") are generally entitled to one vote per share on all matters presented to a vote of the Company's stockholders. The holders of the Series Preferred Stock are also entitled to receive dividends, if and when declared, at the same rate as dividends are declared and paid with respect to the Company's common stock. At the option of the holder, each share of Series Preferred Stock is convertible, at any time, into five shares of the Company's Class B Common Stock. Each of the outstanding shares of Series Preferred Stock will automatically convert into five shares of Class B Common Stock in the event of an underwritten public offering of the Company's common stock, subject to certain conditions.

Upon the earlier of (i) 91 days after the tenth anniversary date of the issuance of the Notes; or (ii) May 15, 2008, the outstanding shares of Series A Preferred Stock, Series B Preferred Stock and Series C Preferred Stock are redeemable, at the option of the holder, at a price per share of \$6.00, \$12.00 and \$21.00, respectively, plus any accrued and unpaid dividends through the date of redemption. The Series Preferred Stock also call for liquidation preferences equal to such respective redemption prices. With respect to redemption and liquidation preferences, the rights of the holders of the Series C Preferred Stock and the Series B Preferred Stock are senior to the Series A Preferred Stock and the common stock, and the rights of the holders of the Series A Preferred Stock are senior to the common stock.

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 CTI (see Note 4).

8. STOCKHOLDERS' EQUITY (DEFICIT)

Common Stock

At the option of the holder, each share of the Company's Class A Common Stock is convertible, at any time, into 1.52315 shares of the Company's Class B Common Stock. The holders of the Class B Common Stock are entitled to one vote per share on all matters presented to a vote of the Company's stockholders, and the holders of the Class A Common Stock are entitled to a number of votes equivalent to the number of shares of Class B Common Stock into which their shares of Class A Common Stock are convertible. The holders of the Class A Common Stock are also entitled to receive dividends, if and when declared, on an equivalent basis with the holders of the Class B Common Stock. In the event of an underwritten public offering of its common stock which results in the conversion of the Preferred Stock (see Note 7), the Company may, at its option, require that all outstanding shares of Class A Common Stock be converted into Class B 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

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 5,765,000 shares of the Company's Class B Common Stock are 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 ten years from the date of grant. A summary of awards granted under the 1995 Stock Option Plan is as follows for the years ended December 31, 1995, 1996 and 1997:

	1995		1996		1997	
	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.....	--	--	825,000	\$.53	1,050,000	.89
Options granted.....	825,000	\$.53	225,000	2.22	3,042,500	5.46
Options exercised.....	--	--	--	--	(363,125)	.53
Options forfeited.....	--	--	--	--	(35,000)	1.20
Options outstanding at end of year.....	825,000	.53	1,050,000	.89	3,694,375	4.69
Options exercisable at end of year.....	--	--	721,250	\$.43	728,875	2.49

In November 1996, options which were granted in 1995 for the purchase of 690,000 shares were modified such that those options became fully vested. A summary of options outstanding as of December 31, 1997 is as follows:

EXERCISE PRICE	NUMBER OF OPTIONS OUTSTANDING	WEIGHTED- AVERAGE REMAINING CONTRACTUAL LIFE	NUMBER OF OPTIONS EXERCISABLE
\$.40	345,000	8.0 years	345,000
1.20	93,750	7.9 years	38,750
1.60	50,000	8.4 years	12,500
2.40	175,000	8.8 years	43,750
4.20	1,718,125	9.5 years	126,375
6.00	325,000	9.8 years	162,500
7.50	987,500	9.9 years	--
	3,694,375	9.4 years	728,875

CROWN CASTLE INTERNATIONAL CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

The weighted-average fair value of options granted during the years ended December 31, 1995, 1996 and 1997 was \$0.09, \$0.50 and \$1.30, 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):

	YEARS ENDED DECEMBER 31,		
	1995	1996	1997
Risk-free interest rate.....	5.3%	6.4%	6.1%
Expected life.....	3.2 years	4.0 years	4.5 years
Expected volatility.....	0%	0%	0%
Expected dividend yield.....	0%	0%	0%

The exercise prices for options granted during the years ended December 31, 1995, 1996 and 1997 were equal to or in excess of the estimated fair value of the Company's Class B Common Stock at the date of grant. As such, no compensation cost was recognized for stock options during those years (see Note 1). 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, 1995, 1996 and 1997 would have been \$33,000 (\$0.01 per share), \$973,000 (\$0.28 per share) and \$12,586,000 (\$2.37 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, 1997, the Company had the following shares reserved for future issuance:

Class B Common Stock:	
Senior Preferred Stock.....	9,050,060
Series A Preferred Stock.....	6,916,665
Series B Preferred Stock.....	4,322,840
Series C Preferred Stock.....	17,649,160
Class A Common Stock.....	1,586,460
1995 Stock Option Plan.....	5,765,000
Warrants.....	1,314,990

	46,605,175
	=====

9. 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% or 20% 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 for the year ended December 31, 1997.

10. RELATED PARTY TRANSACTIONS

The Company leases office space in a building formerly owned by its Chief Executive Officer. Lease payments for such office space amounted to \$22,000, \$50,000 and \$130,000 for the years ended December 31, 1995, 1996 and 1997, respectively.

Included in other receivables at December 31, 1997 are amounts due from employees of the Company totaling \$499,000.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

11. COMMITMENTS AND CONTINGENCIES

At December 31, 1997, minimum rental commitments under operating leases are as follows: years ending December 31, 1998--\$2,634,000; 1999--\$2,483,000; 2000--\$2,021,000; 2001--\$1,791,000; 2002--\$1,131,000; thereafter--\$17,228,000. Rental expense for operating leases was \$208,000, \$277,000 and \$1,712,000 for the years ended December 31, 1995, 1996 and 1997, 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.

12. 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 (primarily Pennsylvania, Texas, New Mexico, Arizona and Puerto Rico). 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.

For the years ended December 31, 1995, 1996 and 1997, the Company's revenues from PCI and Nextel amounted to \$2,566,000, \$2,634,000 and \$5,998,000, respectively.

13. QUARTERLY FINANCIAL INFORMATION (UNAUDITED)

Summary quarterly financial information for the years ended December 31, 1996 and 1997 is as follows:

	THREE MONTHS ENDED			
	MARCH 31	JUNE 30	SEPTEMBER 30	DECEMBER 31

	(IN THOUSANDS OF DOLLARS, EXCEPT PER SHARE AMOUNTS)			
1996:				
Net revenues.....	\$ 1,221	\$1,238	\$ 1,846	\$ 1,902
Operating income.....	306	71	196	90
Net loss.....	(32)	(280)	(243)	(402)
Loss per common share--basic and diluted.....	(0.01)	(0.08)	(0.07)	(0.11)
1997:				
Net revenues.....	\$ 1,994	\$4,771	\$11,481	\$13,159
Operating income (loss).....	(1,293)	(921)	61	(1,299)
Net loss.....	(443)	(1,706)	(4,001)	(5,792)
Loss per common share--basic and diluted.....	(0.13)	(0.51)	(0.62)	(0.69)

14. SUBSEQUENT EVENTS (UNAUDITED)

On April 24, 1998, the Company entered into a share exchange agreement with certain shareholders of CTI pursuant to which certain of CTI's shareholders have agreed to exchange their shares of CTI for shares of the Company. Upon the consummation of the exchange, the Company's ownership of CTI will increase from approximately 34.3% to approximately 80%. Consummation of the share exchange is subject to a number of significant conditions, including certain third party consents and the consummation of an initial public offering of common stock by the Company.

In connection with the share exchange, the Company intends to offer shares of its common stock in an underwritten initial public offering during the summer of 1998. On June 19, 1998, a registration statement in respect of such initial public offering was filed with the Securities and Exchange Commission (as amended, the "Registration Statement") and any securities offered in such initial public offering will only be offered by means of a prospectus forming a part of such Registration Statement.

In anticipation of such initial public offering, the Company (i) 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 (ii) 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.

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 will vest upon consummation of the initial public offering 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 an expected director nominee) 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 CTI's shareholders and at prices substantially below the expected price to the public in the initial public offering, the Company will record 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 initial public offering. Such compensation charge will total approximately \$35.1 million, of which approximately \$20.2 million will be recognized upon consummation of the initial public offering (for such options and shares which vest upon consummation of the initial public offering), and the remaining \$14.9 million will be recognized over five years (approximately \$3.0 million per year) through the second quarter of 2003.

INDEPENDENT AUDITORS' REPORT

The Owners of Crown Communications,
Crown Network Systems, Inc.,
Crown Mobile Systems, Inc., Airport
Communications, Inc. and E-90, Ltd.:

We have audited the accompanying combined statements of income and cash flows of Crown Communications, Crown Network Systems, Inc., Crown Mobile Systems, Inc., Airport Communications, Inc. and E-90, Ltd. (collectively, Crown Communications) for the years ended December 31, 1995 and 1996 and for the seven month period ended July 31, 1997. These combined financial statements are the responsibility of Crown Communications' management. Our responsibility is to express an opinion on these combined 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 audits to obtain reasonable assurance about whether the combined financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the combined 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 combined financial statements referred to above present fairly, in all material respects, the combined results of operations and cash flows of Crown Communications for the years ended December 31, 1995 and 1996 and for the seven month period ended July 31, 1997 in conformity with generally accepted accounting principles.

KPMG Peat Marwick LLP

Pittsburgh, Pennsylvania
March 23, 1998

CROWN COMMUNICATIONS
 COMBINED STATEMENT OF INCOME
 (IN THOUSANDS OF DOLLARS)

	YEARS ENDED DECEMBER 31,		SEVEN MONTHS ENDED
	----- 1995	1996	JULY 31, 1997 -----
Net revenues:			
Site rental.....	\$ 3,632	\$ 5,120	\$ 4,550
Network services and other.....	7,384	14,260	13,137
	-----	-----	-----
	11,016	19,380	17,687
Operating costs and expenses:			
Site rental.....	763	1,691	1,421
Network services and other.....	3,944	8,632	5,841
General and administrative expenses.....	2,625	3,150	3,761
Depreciation and amortization.....	568	1,168	1,006
	-----	-----	-----
	7,900	14,641	12,029
	-----	-----	-----
Operating income.....	3,116	4,739	5,658
Other income (expense):			
Interest and other income (expense).....	19	(53)	(26)
Interest expense.....	(785)	(1,175)	(925)
	-----	-----	-----
Net income.....	\$ 2,350	\$ 3,511	\$ 4,707
	=====	=====	=====

See accompanying notes to combined financial statements.

CROWN COMMUNICATIONS

COMBINED STATEMENT OF CASH FLOWS

(IN THOUSANDS OF DOLLARS)

	YEARS ENDED DECEMBER 31,		SEVEN MONTHS ENDED JULY 31, 1997
	1995	1996	1997
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income.....	\$ 2,350	\$ 3,511	\$ 4,707
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization.....	568	1,168	1,006
Gain on sale of equipment.....	(71)	--	--
Changes in operating assets and liabilities:			
Accounts receivable.....	205	(1,594)	(1,612)
Inventory.....	(173)	73	(527)
Prepaid expenses and other current assets.....	(22)	(117)	(13)
Accrued network services.....	--	(653)	653
Deferred installation costs.....	356	(154)	154
Other assets.....	(20)	(36)	(78)
Accounts payable.....	149	1,195	419
Accrued expenses.....	216	508	(350)
Customer deposits.....	43	(2)	106
Deferred revenue.....	(627)	263	734
Net cash provided by operating activities.....	2,974	4,162	5,199
CASH FLOWS FROM INVESTING ACTIVITIES:			
Capital expenditures.....	(5,670)	(8,658)	(12,425)
Proceeds from sale of equipment.....	--	6	--
Net cash used for investing activities.....	(5,670)	(8,652)	(12,425)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issuance of notes payable.....	14,929	22,614	9,256
Principal payments on notes payable.....	(11,689)	(15,808)	(706)
Distributions to owners.....	(873)	(2,809)	(1,532)
Capital contribution.....	--	103	--
Net cash provided by financing activities.....	2,367	4,100	7,018
NET DECREASE IN CASH AND CASH EQUIVALENTS.....	(329)	(390)	(208)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD..	1,093	764	374
CASH AND CASH EQUIVALENTS AT END OF PERIOD.....	\$ 764	\$ 374	\$ 166
Supplemental disclosure of cash flow information--			
interest paid.....	\$ 764	\$ 1,175	\$ 775

See accompanying notes to combined financial statements.

CROWN COMMUNICATIONS

NOTES TO COMBINED FINANCIAL STATEMENTS

(IN THOUSANDS OF DOLLARS)

(1) BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Presentation

The accompanying combined financial statements include the accounts of Crown Communications (CCM), a sole proprietorship, Crown Network Systems, Inc. (CNS), a subchapter S corporation, Crown Mobile Systems, Inc. (CMS), a subchapter S corporation, Airport Communications, Inc. (ACI), a subchapter S corporation and E-90, Ltd. (E-90), a Pennsylvania Business Trust (collectively, Crown Communications or the Company). These entities are all under common ownership. All significant intercompany accounts and transactions have been eliminated.

Crown Communications is a communication site development and management company. The Company's core business is the development of high density communication facilities. The majority of these facilities are located throughout western Pennsylvania. The Company leases antenna and transmitter space on communication towers to companies using or providing wireless telephone, paging and specialized mobile radio services.

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.

(b) Cash and Cash Equivalents

The Company considers cash in depository institutions and short-term investments with original maturities of three months or less to be cash and cash equivalents.

(c) Inventory

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

(d) Property and Equipment

Property and equipment is stated at cost, net of accumulated depreciation. Depreciation on property and equipment is computed utilizing methods which approximate the straight-line method over the estimated useful lives of the 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.

In March 1995, the Financial Accounting Standards Board (the "FASB") issued Statement of Financial Accounting Standards No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of ("SFAS 121"). SFAS 121 requires that long-lived assets and certain identifiable intangibles be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. SFAS 121 is effective for fiscal years beginning after December 15, 1995. The adoption of SFAS 121 by the Company in 1996 did not have a material impact on its combined financial statements.

CROWN COMMUNICATIONS

NOTES TO COMBINED FINANCIAL STATEMENTS--(CONTINUED)

(IN THOUSANDS OF DOLLARS)

(e) Other Assets

Other assets include deferred financing costs which are amortized over the estimated term of the related borrowing.

(f) Revenue Recognition

Equipment sales revenues are recognized when products are delivered to customers.

Site rental revenue is recognized ratably over the terms of the respective leases. Such leases have terms that are generally five years.

Network services revenues are recognized under a method which approximates the completed contract method. This method is used because typical network services are completed in 3 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. The network services are considered complete at the point in time in which the terms and conditions of the contract and/or agreement have been substantially completed. Revenues from completed contracts which have not been billed at the end of an accounting period are presented as accrued network services.

Costs and revenues associated with installations not complete at the end of an accounting period are deferred and recognized when the installation becomes operational. Any losses on contracts are recognized at such time as they become known.

(2) INCOME TAXES

CCM is operated as a sole proprietorship and all income or loss is passed through to the personal tax return of the owners. The shareholders for CNS, CMS and ACI have elected under subchapter S of the Internal Revenue Code to pass through all income or loss to the individual tax return of the shareholders. E-90 is operated as a Pennsylvania Business Trust and has elected to be taxed as a partnership. Accordingly, no provision for income taxes has been recorded in the accompanying financial statements.

(3) RETIREMENT SAVINGS PLAN

The Company sponsors a Retirement Savings Plan (the "Plan"), which qualifies for treatment under section 401(k) of the Internal Revenue Code. Substantially all full-time employees are eligible to participate by electing to contribute 1% to 15% of their gross pay to the Plan. Under the Plan, the Company matches a portion of each employee's contribution up to certain limits. Each employee's contribution is fully vested when contributed, and the Company's matching contribution begins vesting after an employee has completed two years of service and becomes fully vested after six years of service. For the years ended December 31, 1995 and 1996, and the seven months ended July 31, 1997, the Company's expense for the Plan was \$6, \$59 and \$44, respectively.

CROWN COMMUNICATIONS

NOTES TO COMBINED FINANCIAL STATEMENTS--(CONTINUED)

(IN THOUSANDS OF DOLLARS)

(4) COMMITMENTS AND CONTINGENCIES

The Company leases land, office space and site space on towers and rooftops through contracts that expire in various years through 2095. The Company has purchase and renewal options and is committed to various escalation provisions under certain of these leases. Rental expense under operating leases was \$306, \$669 and \$718 for the years ended December 31, 1995 and 1996, and the seven months ended July 31, 1997, respectively. At July 31, 1997, minimum rental commitments under operating leases are as follows:

YEARS ENDING DECEMBER 31, -----	
1997.....	\$ 659
1998.....	1,800
1999.....	1,700
2000.....	1,500
2001.....	1,300
Thereafter.....	17,200

	\$24,159
	=====

The Company is involved in various claims and legal actions 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 combined financial position or results of operations.

(5) CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Company to concentrations of credit risk are primarily cash and cash equivalents and accounts receivable. 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 western Pennsylvania. The Company mitigates its concentrations of credit risk with respect to accounts receivable by actively monitoring the creditworthiness of its customers. Historically, the Company has not incurred any significant credit related losses.

For the year ended December 31, 1995, the Company recognized revenues from two individual customers in the amount of \$4,139 and \$668. For the year ended December 31, 1996, the Company recognized revenues from three individual customers in the amount of \$3,700, \$2,600 and \$1,400. For the seven months ended July 31, 1997, the Company recognized revenues from three individual customers in the amount of \$4,784, \$4,246 and \$2,377.

(6) SUBSEQUENT EVENTS

In July 1997, the owners of CCM, CNS and CMS entered into an asset purchase and merger agreement with Crown Castle International Corp. ("CCIC"). In August 1997, such agreement was amended and restated, and CCIC acquired (i) substantially all of the assets, net of outstanding liabilities, of CCM and (ii) all of the outstanding common stock of CNS and CMS.

REPORT OF INDEPENDENT AUDITORS

Board of Directors
TEA Group Incorporated

We have audited the balance sheet of TEA Group Incorporated as of December 31, 1995, and the related statements of income, shareholders' equity and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit 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 audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of TEA Group Incorporated as of December 31, 1995, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

Ernst & Young LLP

Atlanta, Georgia
February 28, 1996

INDEPENDENT AUDITORS' REPORT

The Board of Directors
TEA Group Incorporated:

We have audited the accompanying balance sheet of TEA Group Incorporated as of December 31, 1996, and the related statements of income, shareholders' equity, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit 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 audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of TEA Group Incorporated as of December 31, 1996, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

KPMG Peat Marwick LLP

Atlanta, Georgia
August 15, 1997

TEA GROUP INCORPORATED

BALANCE SHEET

(IN THOUSANDS OF DOLLARS, EXCEPT SHARE AMOUNTS)

	DECEMBER 31,	
	1995	1996
ASSETS		
Current assets:		
Cash.....	\$ 5	\$ --
Accounts receivable, net of allowance for doubtful accounts of \$100 and \$1 at December 31, 1995 and 1996, respectively (note 5):		
Billed.....	4,637	3,553
Unbilled.....	1,335	465
Employee advances.....	--	14
Note and accrued interest receivable--related party.....	58	6
Prepaid expenses.....	24	3
	-----	-----
Total current assets.....	6,059	4,041
	-----	-----
Property and equipment, at cost:		
Leasehold improvements.....	9	9
Office and computer equipment.....	757	831
Furniture and fixtures.....	343	345
Computer software.....	--	85
	-----	-----
	1,109	1,270
Less accumulated depreciation and amortization.....	(653)	(787)
	-----	-----
	456	483
Other assets.....	62	47
	-----	-----
	\$6,577	\$4,571
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Notes payable (note 2).....	\$2,733	\$ 107
Accounts payable.....	1,328	1,366
Accrued compensation and related benefits.....	557	445
Other accrued expenses.....	--	52
	-----	-----
Total current liabilities.....	4,618	1,970
Commitments (note 3)		
Shareholders equity (note 7):		
Common stock, \$1 par value, 10,000 shares authorized; 550 shares issued and outstanding.....	1	1
Additional paid-in capital.....	11	11
Retained earnings.....	1,947	2,589
	-----	-----
Total shareholders equity.....	1,959	2,601
	-----	-----
	\$6,577	\$4,571
	=====	=====

See accompanying notes to financial statements.

TEA GROUP INCORPORATED
STATEMENT OF INCOME
(IN THOUSANDS OF DOLLARS)

	YEARS ENDED DECEMBER 31,		THREE MONTHS ENDED MARCH 31,	
	1995	1996	1996	1997
	-----	-----	-----	-----
			(UNAUDITED)	
Network services and other revenues, net (note 6).....	\$23,585	\$18,010	\$4,376	\$4,873
Operating costs and expenses:				
Services and other (exclusive of deprecia- tion and amortization).....	18,770	14,406	3,280	4,048
General and administrative expenses.....	4,077	2,295	529	482
Depreciation and amortization.....	127	134	31	38
	-----	-----	-----	-----
	22,974	16,835	3,840	4,568
	-----	-----	-----	-----
Operating income.....	611	1,175	536	305
Other income (expense):				
Interest and other income.....	17	3	--	--
Interest expense.....	(158)	(127)	(47)	(5)
	-----	-----	-----	-----
Income before income taxes.....	470	1,051	489	300
Income taxes (note 1(d)).....	--	--	--	--
	-----	-----	-----	-----
Net income.....	\$ 470	\$ 1,051	\$ 489	\$ 300
	=====	=====	=====	=====

See accompanying notes to financial statements.

TEA GROUP INCORPORATED

STATEMENT OF SHAREHOLDERS' EQUITY

(IN THOUSANDS OF DOLLARS, EXCEPT SHARE AMOUNTS)

	COMMON STOCK		ADDITIONAL		TOTAL
	SHARES	AMOUNTS	PAID-IN	RETAINED	SHAREHOLDERS'
			CAPITAL	EARNINGS	EQUITY
	-----	-----	-----	-----	-----
Balance at January 1, 1995.....	550	\$ 1	\$11	\$2,359	\$2,371
Net income.....	--	--	--	470	470
Shareholder distribu- tions.....	--	--	--	(882)	(882)
	---	---	---	-----	-----
Balance at December 31, 1995.....	550	1	11	1,947	1,959
Net income.....	--	--	--	1,051	1,051
Shareholder distribu- tions.....	--	--	--	(409)	(409)
	---	---	---	-----	-----
Balance at December 31, 1996.....	550	\$ 1	\$11	\$2,589	\$2,601
	===	===	===	=====	=====

See accompanying notes to financial statements.

TEA GROUP INCORPORATED
STATEMENT OF CASH FLOWS
(IN THOUSANDS OF DOLLARS)

	YEARS ENDED DECEMBER 31,		THREE MONTHS ENDED MARCH 31,	
	1995	1996	1996	1997
	----- (UNAUDITED) -----			
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net income.....	\$ 470	\$1,051	\$ 489	\$ 300
Adjustment to reconcile net income to net cash provided by (used for) operating activities:				
Depreciation and amortization.....	127	134	31	38
Provision for doubtful accounts (note 6)..	--	355	125	--
Gain on sale of property and equipment, and other assets.....	(12)	(1)	(1)	--
Decrease (increase) in:				
Billed accounts receivable.....	(1,714)	729	(103)	(735)
Unbilled accounts receivable.....	(336)	870	1,439	119
Other assets.....	(25)	29	(15)	(73)
Increase (decrease) in:				
Accounts payable.....	381	37	(1,219)	(925)
Accrued expenses.....	142	(59)	(101)	37
Net cash provided by (used for) operating activities.....	(967)	3,145	645	(1,239)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchases of property and equipment.....	(250)	(161)	(29)	(23)
Proceeds from sale of property and equipment, and other assets.....	25	1	1	--
Increase in deposits.....	16	--	--	--
Payments received on note receivable.....	--	45	8	--
Net cash used for investing activities.....	(209)	(115)	(20)	(23)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Net borrowings (repayments) under revolving credit agreement.....	2,057	(2,626)	276	1,262
Shareholder distributions.....	(882)	(409)	--	--
Net cash provided by (used for) financing activities.....	1,175	(3,035)	276	1,262
Net increase (decrease) in cash.....	(1)	(5)	901	--
CASH AT BEGINNING OF PERIOD.....	6	5	5	--
CASH AT END OF PERIOD.....	\$ 5	\$ --	\$ 906	\$ --
	=====	=====	=====	=====
Supplemental disclosure of cash flow information--cash paid during the period for interest.....	\$ 149	\$ 138	\$ 47	\$ --
	=====	=====	=====	=====

See accompanying notes to financial statements.

TEA GROUP INCORPORATED

NOTES TO FINANCIAL STATEMENTS

(IN THOUSANDS OF DOLLARS)

(1) BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Presentation

TEA Group Incorporated (the "Company") provides services to the wireless telecommunications and energy transmission industries. These services include providing right-of-way, site acquisition, engineering design and drafting, project management, and staff leasing to wireless telecommunications and energy transmission companies in the United States and internationally.

Management of the Company has made a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the financial statements and revenues and expenses for the reporting period to prepare these financial statements in conformity with generally accepted accounting principles. Actual results could differ from those estimates.

The financial statements for the three months ended March 31, 1996 and 1997 are unaudited; however, they include all adjustments (consisting only of normal recurring adjustments) which, in the opinion of management, are necessary to present fairly the results of operations and cash flows for the three months ended March 31, 1996 and 1997. Accounting measurements at interim dates inherently involve greater reliance on estimates than at year end. The results of operations for the interim periods presented are not necessarily indicative of the results to be expected for the entire year.

(b) Revenue Recognition

The Company's revenues are derived primarily from 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 priced contracts, and 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 to estimated total contract costs. Provisions for estimated losses on uncompleted contracts are made in the period in which such losses are determined.

(c) Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and amortization. Depreciation is provided over the estimated useful lives of the assets on a straight-line basis. Leasehold improvements are amortized over the shorter of their estimated useful lives or the remaining lease term. Property and equipment are depreciated over the following estimated useful lives:

	YEARS

Leasehold improvements.....	5
Office and computer equipment.....	5
Furniture and fixtures.....	7
Computer software.....	5

The Company adopted the provisions of Statement of Financial Accounting Standards ("SFAS") 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of, on January 1, 1996. This statement requires that long-lived assets and certain identifiable intangibles be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceed the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. Adoption of this statement did not have an impact on the Company's financial statements.

TEA GROUP INCORPORATED

NOTES TO FINANCIAL STATEMENTS--(CONTINUED)

(IN THOUSANDS OF DOLLARS)

(d) Income Taxes

The shareholders of the Company have elected to be taxed under the Subchapter S Corporation provisions of the Internal Revenue Code. As a result of this election, Federal and state income taxes related to the results of operations of the Company are passed through to, and are the responsibility of, the Company's shareholders. Accordingly, no provision for income taxes has been recorded in the accompanying financial statements.

(e) Fair Value of Financial Instruments

The carrying value of the notes payable approximates the estimated fair value for this instrument since it bears interest at a floating market rate. 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, 1995		DECEMBER 31, 1996	
	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
Cash.....	\$ 5	\$ 5	\$ --	\$ --
Notes payable.....	(2,733)	(2,733)	(107)	(107)

(2) NOTES PAYABLE

The Company has a revolving line of credit with a bank for working capital purposes (as amended, the "Bank Line of Credit"). The Bank Line of Credit provides for up to \$5,000 of working capital borrowings and up to \$200 of borrowings for purchases of equipment. At December 31, 1996, outstanding working capital borrowings under the Bank Line of Credit amounted to \$107. Borrowings are secured by the Company's receivables, property and equipment, intangibles and cash balances, and bear interest at a rate per annum equal to (i) the bank's prime rate or (ii) a Eurodollar interbank offered rate (LIBOR) plus 2.45% (8.25% and 7.95%, respectively, at December 31, 1996). Interest is payable monthly. The Bank Line of Credit requires the Company to maintain certain financial covenants and places limitations on its ability to, among other things, incur debt and liens, undertake transactions with affiliates and make investments.

On July 30, 1997, the Bank Line of Credit was amended to decrease the available borrowings to \$3,000 and extend the maturity date to June 30, 1998. Borrowings now bear interest at a rate per annum equal to LIBOR plus 2.7% (8.39% at July 31, 1997). In addition, the amended Bank Line of Credit now restricts the ability of the Company to pay dividends.

(3) COMMITMENTS

The Company has noncancelable operating leases for office space. Future minimum lease payments under the operating leases with remaining terms of one year or more at December 31, 1996 are summarized as follows:

YEARS ENDING DECEMBER 31, -----	
1997.....	\$316
1998.....	315
1999.....	289
2000.....	43

	\$963
	====

Rent expense under all cancelable and noncancelable operating leases for 1995 and 1996 was \$459 and \$608, respectively.

(IN THOUSANDS OF DOLLARS)

(4)EMPLOYEE BENEFIT PLAN

The Company maintains a 401(k) profit sharing and retirement plan (the "Plan") for the benefit of all eligible employees. Employees may elect to contribute up to 15% of their eligible compensation to the Plan. The Plan provides for employer matching contributions at the discretion of the Company's Board of Directors. The Company provided \$66 and \$29 in expense for contributions for 1995 and 1996, respectively.

(5)RELATED PARTY TRANSACTIONS

Accounts receivable balances at December 31, 1995 and 1996 include approximately \$398 and \$94, respectively, from an affiliated company related to expenses incurred by the Company on behalf of the affiliated company.

(6) CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Company to concentrations of credit risk are primarily cash and trade receivables. The Company mitigates its risk with respect to cash 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 and energy transmission industries. The Company mitigates its concentrations of credit risk with respect to trade receivables by actively monitoring the creditworthiness of its customers. In connection with a disputed receivable with a customer, the Company wrote off \$310 during 1996.

For the year ended December 31, 1995, the Company had five customers representing 19%, 18%, 16%, 13% and 11% of net revenues, respectively. For the year ended December 31, 1996, the Company had two customers which accounted for 35% and 14% of net revenues, respectively, and one customer which accounted for approximately 59% of accounts receivable at December 31, 1996.

(7)SUBSEQUENT EVENT

In July 1996, the Company, its shareholders, and certain affiliated companies entered into an agreement with Crown Castle International Corp. ("CCIC") which provided CCIC with an option to acquire various ownership interests in the Company. On May 12, 1997, CCIC acquired all of the Company's common stock.

CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD AND SUBSIDIARIES AND
THE BBC HOME SERVICE TRANSMISSION BUSINESS

INDEPENDENT AUDITORS' REPORT

To the Shareholders and Board of Directors
of Castle Transmission Services (Holdings) Ltd:

We have audited the accompanying balance sheet of the BBC Home Service Transmission business ("Home Service") at March 31, 1996 and the consolidated balance sheets of Castle Transmission Services (Holdings) Ltd and its subsidiaries ("Castle Transmission") at March 31, 1997 and December 31, 1997 and the profit and loss accounts, cash flow statements and reconciliations of movements in corporate funding for Home Service for the year ended March 31, 1996 and the period from April 1, 1996 to February 27, 1997 and the related consolidated profit and loss accounts, cash flow statements and reconciliations of movements in shareholders' funds for Castle Transmission for the period from February 28, 1997 to March 31, 1997 and the period from April 1, 1997 to December 31, 1997. These financial statements are the responsibility of Castle Transmission's and Home Service's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards in the United Kingdom, which do not differ in any material respect from generally accepted auditing standards in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 financial statements referred to above present fairly, in all material respects, the financial position of Home Service at March 31, 1996 and the consolidated financial position of Castle Transmission at March 31, 1997 and December 31, 1997 and the results of operations and cash flows of Home Service for the year ended March 31, 1996 and for the period from April 1, 1996 to February 27, 1997 and of Castle Transmission for the period from February 28, 1997 to March 31, 1997 and for the period from April 1, 1997 to December 31, 1997 in conformity with generally accepted accounting principles in the United Kingdom.

Generally accepted accounting principles in the United Kingdom vary in certain respects from generally accepted accounting principles in the United States. Application of generally accepted accounting principles in the United States would have affected results of operations for the year ended March 31, 1996 and the period from April 1, 1996 to February 27, 1997 for Home Service and the period from February 28, 1997 to March 31, 1997 and from April 1, 1997 to December 31, 1997 for Castle Transmission and shareholders' equity at March 31, 1996 for Home Service and at March 31, 1997 and December 31, 1997 for Castle Transmission to the extent summarised in Note 27 to these financial statements.

KPMG
Chartered Accountants
Registered Auditor
London, England

March 31, 1998

CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD AND SUBSIDIARIES AND
THE BBC HOME SERVICE TRANSMISSION BUSINESS

CONSOLIDATED PROFIT AND LOSS ACCOUNTS

	NOTE	BBC HOME SERVICE TRANSMISSION			CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD		
		YEAR ENDED MARCH 31, 1996	PERIOD FROM APRIL 1, 1996 TO FEBRUARY 27, 1997	TWO MONTHS ENDED FEBRUARY 27, 1997	PERIOD FROM FEBRUARY 28, 1997 TO MARCH 31, 1997	PERIOD FROM APRIL 1, 1997 TO DECEMBER 31, 1997	THREE MONTHS ENDED MARCH 31, 1998
		(Pounds)000	(Pounds)000	(Pounds)000 (UNAUDITED)	(Pounds)000	(Pounds)000	(Pounds)000 (UNAUDITED)
Turnover.....	3	70,367	70,614	12,805	6,433	56,752	20,774
Changes in stocks and work in progress.....		(635)	(554)	(150)	340	747	(90)
Own work capitalised....		4,653	3,249	308	170	1,127	684
Raw materials and consumables.....		14	(1,155)	(387)	(446)	(2,410)	(270)
Other external charges..		(34,750)	(26,191)	(4,130)	(1,668)	(13,811)	(4,941)
Staff costs.....	4	(17,197)	(16,131)	(3,104)	(1,421)	(14,345)	(6,635)
Depreciation and other amounts written off tangible and intangible assets.....	5	(12,835)	(13,038)	(2,464)	(1,819)	(16,854)	(5,887)
Other operating charges.....		(1,832)	(2,792)	(181)	(344)	(2,430)	(937)
		(62,582)	(56,612)	(10,108)	(5,188)	(47,976)	(18,076)
Operating profit.....		7,785	14,002	2,697	1,245	8,776	2,698
Other interest receiv- able and similar in- come.....		--	--	--	49	288	166
Interest payable and similar charges.....	7	--	--	--	(969)	(12,419)	(3,461)
Profit/(loss) on ordi- nary activities before and after taxation....	3-6, 8	7,785	14,002	2,697	325	(3,355)	(597)
Additional finance cost of non-equity shares...		--	--	--	(318)	(2,862)	(987)
Retained profit/(loss) for the period.....		7,785	14,002	2,697	7	(6,217)	(1,584)
		=====	=====	=====	=====	=====	=====

Neither BBC Home Service nor Castle Transmission have any recognised gains or losses other than those reflected in the profit and loss accounts.

The accompanying notes are an integral part of these consolidated financial statements.

CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD AND SUBSIDIARIES AND
THE BBC HOME SERVICE TRANSMISSION BUSINESS

CONSOLIDATED BALANCE SHEETS

	NOTE	BBC HOME SERVICE TRANSMISSION	CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD		
		AT MARCH 31, 1996	AT MARCH 31, 1997	AT DECEMBER 31, 1997	AT MARCH 31, 1998
		(Pounds)000	(Pounds)000	(Pounds)000	(Pounds)000 (UNAUDITED)
FIXED ASSETS					
Intangible.....	9	--	46,573	46,056	45,404
Tangible.....	10	202,592	206,162	206,134	208,369
		202,592	252,735	252,190	253,773
CURRENT ASSETS					
Stocks.....	11	1,750	807	1,340	1,250
Debtors.....	12	4,714	10,344	13,230	10,629
Cash at bank and in hand.....		--	9,688	8,152	7,989
		6,464	20,839	22,722	19,868
Creditors: amounts fall- ing due within one year.....	13	(6,627)	(14,820)	(29,139)	(21,380)
Net current assets/(liabilities)...		(163)	6,019	(6,417)	(1,512)
Total assets less cur- rent liabilities.....		202,429	258,754	245,773	252,261
Creditors: amounts fall- ing due after more than one year.....	14	--	(154,358)	(143,748)	(148,966)
Provisions for liabili- ties and charges.....	15	--	(1,723)	(2,157)	(2,273)
Net assets.....		202,429	102,673	99,868	101,022
CAPITAL AND RESERVES					
Corporate funding.....		202,429	--	--	--
Called up share capi- tal.....	16	--	102,348	102,898	102,898
Profit and loss ac- count.....	17	--	325	(3,030)	(1,876)
		202,429	102,673	99,868	101,022
SHAREHOLDERS' FUNDS/(DEFICIT)					
Equity.....			109	(6,107)	(5,940)
Non-equity.....			102,564	105,975	106,962
			102,673	99,868	101,022

The accompanying notes are an integral part of these consolidated financial statements.

CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD AND SUBSIDIARIES AND
THE BBC HOME SERVICE TRANSMISSION BUSINESS

CONSOLIDATED CASH FLOW STATEMENTS

	NOTE	BBC HOME SERVICE TRANSMISSION			CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD		
		YEAR ENDED MARCH 31, 1996	PERIOD FROM APRIL 1, 1996 TO FEBRUARY 27, 1997	TWO MONTHS ENDED FEBRUARY 27, 1997	PERIOD FROM FEBRUARY 28, 1997 TO MARCH 31, 1997	PERIOD FROM APRIL 1, 1997 TO DECEMBER 31, 1997	THREE MONTHS ENDED MARCH 31, 1998
		(Pounds)000	(Pounds)000	(Pounds)000 (UNAUDITED)	(Pounds)000	(Pounds)000	(Pounds)000 (UNAUDITED)
Cash inflow from operating activities.....	21	24,311	26,427	5,161	5,756	27,983	12,790
Returns on investment and servicing of finance.....	22	--	--	--	(885)	(2,428)	(10,578)
Capital expenditure and financial investments..	22	(17,190)	(20,092)	(711)	(748)	(14,361)	(7,362)
Acquisitions and disposals.....	22	--	--	--	(251,141)	(307)	--
		-----	-----	-----	-----	-----	-----
Cash inflow/(outflow)....	22	7,121	6,335	4,450	(247,018)	10,887	(5,150)
Financing.....							
Net (decrease) in corporate funding.....		(7,121)	(6,335)	(4,450)	--	--	--
Issuance of shares.....		--	--	--	102,348	550	--
Increase/(decrease) in debt.....		--	--	--	154,358	(12,973)	5,000
Capital element of finance lease rentals.....		--	--	--	--	--	(13)
		-----	-----	-----	-----	-----	-----
		(7,121)	(6,335)	(4,450)	256,706	(12,423)	4,987
		-----	-----	-----	-----	-----	-----
Increase/(decrease) in cash.....		--	--	--	9,688	(1,536)	(163)
		=====	=====	=====	=====	=====	=====
Reconciliation of net cash flow to movement in net debt.....	23						
Increase/(decrease) in cash in the period.....		--	--	--	9,688	(1,536)	(163)
Cash (inflow)/outflow from (increase)/decrease in debt.....		--	--	--	(154,358)	12,973	(4,987)
		-----	-----	-----	-----	-----	-----
Change in net debt resulting from cash flow.....		--	--	--	(144,670)	11,437	(5,150)
New finance leases.....		--	--	--	--	(711)	(109)
Amortisation of bank loan issue costs.....		--	--	--	--	(2,087)	(59)
Amortisation of Guaranteed Bonds.....		--	--	--	--	(55)	(67)
		-----	-----	-----	-----	-----	-----
Movement in net debt in the period.....		--	--	--	(144,670)	8,584	(5,385)
Net debt at beginning of the period.....		--	--	--	--	(144,670)	(136,086)
		-----	-----	-----	-----	-----	-----
Net debt at end of the period.....		--	--	--	(144,670)	(136,086)	(141,471)
		=====	=====	=====	=====	=====	=====

The accompanying notes are an integral part of these consolidated financial statements.

CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD AND SUBSIDIARIES AND
THE BBC HOME SERVICE TRANSMISSION BUSINESS

CONSOLIDATED RECONCILIATION OF MOVEMENTS IN CORPORATE
FUNDING/SHAREHOLDERS' FUNDS

	BBC HOME SERVICE TRANSMISSION			CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD		
	YEAR ENDED MARCH 31, 1996	PERIOD FROM APRIL 1, 1996 TO FEBRUARY 27, 1997	TWO MONTHS ENDED FEBRUARY 27, 1997	PERIOD FROM FEBRUARY 28, 1997 TO MARCH 31, 1997	PERIOD FROM APRIL 1, 1997 TO DECEMBER 31, 1997	THREE MONTHS ENDED MARCH 31, 1998
	(Pounds)000	(Pounds)000	(Pounds)000 (UNAUDITED)	(Pounds)000	(Pounds)000	(Pounds)000 (UNAUDITED)
Profit/(loss) for the period.....	7,785	14,002	2,697	325	(3,355)	(597)
Net (decrease) in corporate funding.....	(7,121)	(6,335)	(4,450)	--	--	--
New share capital subscribed.....	--	--	--	102,348	550	--
Charge on share option arrangements.....	--	--	--	--	--	1,751
Net additions/(deductions) to corporate funding/shareholders' funds.....	664	7,667	(1,753)	102,673	(2,805)	1,154
Opening corporate funding/shareholders' funds.....	201,765	202,429	211,849	--	102,673	99,868
Closing corporate funding/shareholders' funds.....	202,429	210,096	210,096	102,673	99,868	101,022
	=====	=====	=====	=====	=====	=====

The accompanying notes are an integral part of these consolidated financial statements.

CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD AND SUBSIDIARIES AND
THE BBC HOME SERVICE TRANSMISSION BUSINESS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 BASIS OF PREPARATION

As used in the financial statements and related notes, the terms "Castle Transmission" or "the Group" refers to the operations of Castle Transmission Services (Holdings) Ltd and its subsidiaries, Castle Transmission International Ltd ("CTI") which is the successor business and Castle Transmission (Finance) plc ("CTF"). The term "Home Service" refers to the operations of the Home Service Transmission business of the British Broadcasting Corporation ("BBC") which was the predecessor business.

These consolidated financial statements have been prepared in accordance with generally accepted accounting principles ("GAAP") applicable in the United Kingdom (UK) and comply with the financial reporting standards of the Institute of Chartered Accountants in England and Wales. A summary of the differences between UK GAAP and United States (US) GAAP as applicable to Castle Transmission is set out in Note 27.

Castle Transmission Services (Holdings) Ltd (the "Company") was incorporated on August 27, 1996 and did not trade in the period to February 27, 1997. CTI was incorporated by the BBC on May 9, 1996 and did not trade in the period to February 27, 1997. On February 27, 1997, the assets and liabilities of Home Service were transferred to CTI. On February 28, 1997 CTI was acquired by the Company. During the period between August 27, 1996 and February 27, 1997 Castle Transmission did not trade and received no income and incurred no expenditure. Accordingly the first consolidated profit and loss account for Castle Transmission represents the trading of Castle Transmission for the period from February 28, 1997 to March 31, 1997. CTF was incorporated April 9, 1997.

The financial statements for the year ended March 31, 1996 and the period from April 1, 1996 to February 27, 1997 represent the profit and loss accounts, balance sheet, cash flow statements and reconciliations of movements in corporate funding of Home Service. They have been prepared from the separate financial records and management accounts of Home Service.

Home Service was charged a management fee by the BBC representing an allocation of certain costs including pension, information technology, occupancy and other administration costs which were incurred centrally by the BBC but which were directly attributable to Home Service. Management believes such allocation is reasonable. Such costs are based on the pension arrangement and the cost structure of the BBC and are not necessarily representative of such costs of Castle Transmission under separate ownership.

Home Service did not incur any costs in relation to financing as necessary funding was provided from the BBC through the corporate funding account. No interest is charged by the BBC on such funds because there is no debt at BBC which is attributable to Home Service.

Home Service was not a separate legal entity and therefore was not directly subject to taxation on its results. The BBC is a not-for-profit organisation and is not subject to taxation except to the extent of activities undertaken with the objective of making a profit, including all external activities (principally site sharing and commercial projects). The tax charge attributable to Home Service has been calculated as if Home Service were under separate ownership since April 1, 1994 and as if all of its results of operations were subject to normal taxation.

Redundancy costs were incurred by the BBC which related to Home Service staff. The redundancy costs amounted to (Pounds)1.1m in 1996 and (Pounds)0.6m in the period from April 1, 1996 to February 27, 1997. The redundancy programmes were controlled by the BBC and the costs were not recharged to Home Service. No adjustment has been made in the Home Service financial statements for these costs because any costs incurred would have been reflected in the cost base of Home Service, and as described in note 25 would have been off-set by an increase in turnover from the BBC.

The consolidated financial statements for the two months ended February 27, 1997 and as of and for the three months ended March 31, 1998 are unaudited; however, in the opinion of all the directors, all adjustments

CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD AND SUBSIDIARIES AND
THE BBC HOME SERVICE TRANSMISSION BUSINESS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

(consisting of normal recurring adjustments) necessary for a fair presentation have been made. Accounting measurements at interim dates inherently involve greater reliance on estimates than at year end. Operating results for the three month period ended March 31, 1998 are not necessarily indicative of the results that may be expected for the year ending December 31, 1998.

2 ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements of Home Service and the consolidated financial statements of Castle Transmission.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to March 31, 1997 and December 31, 1997 after elimination of all significant inter-company accounts and transactions. The acquisition method of accounting has been adopted. Under this method, the results of subsidiaries acquired or disposed of in the period are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

Goodwill

Purchased goodwill on acquisitions (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) is capitalised and amortised over 20 years, the period over which the Directors consider that the Group will derive economic benefits.

Tangible fixed assets and depreciation

Depreciation is provided to write off the cost or valuation less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Land and buildings

	HOME SERVICE	CASTLE TRANSMISSION
	-----	-----
Freehold and long leasehold buildings...	50 years	50 years
Freehold and long leasehold improve- ments.....	20 years	20 years
Short leasehold land and buildings.....	Unexpired term	Unexpired term
No depreciation is provided on freehold land.....		

Plant and equipment

	HOME SERVICE	CASTLE TRANSMISSION
	-----	-----
Transmitters and power plant.....	25 years	20 years
Electric and mechanical infrastructure.....	10-20 years	10-20 years
Other plant and machinery.....	3-10 years	3-10 years
Computer equipment.....	5 years	5 years
Motor vehicles.....	--	3 years

Strategic spares, which comprise those spares that are vital to the operation of the transmission system, are included in the capitalised value of the asset to which they relate and are depreciated over the life of the asset.

Assets under construction are included within fixed assets. The associated labour costs are capitalised using a predetermined labour rate, and any over or under recoveries are recognised in the profit and loss account in the period in which they arise.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

Foreign currencies

Transactions in foreign currencies are translated at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities, to the extent that they are denominated in foreign currency, are retranslated at the rate of exchange ruling at the balance sheet date and gains or losses are included in the profit and loss account.

Leases

Where the Company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a 'finance lease'. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its useful life or term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments.

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Pensions

The pension costs charged in the period include costs incurred, at the agreed employer's contribution rate. See note 20 for further details.

Stocks

Stocks held are general maintenance spares and manufacturing stocks. Stocks are stated at the lower of weighted average cost and net realisable value.

Work in progress

For individual projects, the fees on account and project costs are recorded in work in progress. When a project is complete, the project balances are transferred to turnover and cost of sales as appropriate, and the net profit is recognised. Where the payments on account are in excess of project costs, these are recorded as payments on account.

Provision is made for any losses as soon as they are foreseen.

Taxation

The charge for taxation is based on the result for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of transmission and maintenance contracts, site sharing arrangements and commercial projects. Revenue is recognised on the basis of contracts or as services are provided to customers.

Issue costs

Costs incurred in raising funds are deducted from the amount raised and amortised over the life of the debt facility on a constant yield basis.

CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD AND SUBSIDIARIES AND
THE BBC HOME SERVICE TRANSMISSION BUSINESS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

3 ANALYSIS OF TURNOVER

	HOME SERVICE		CASTLE TRANSMISSION	
	PERIOD FROM APRIL 1, 1996 TO FEBRUARY 27, 1997	PERIOD FROM APRIL 1, 1996 TO FEBRUARY 27, 1997	PERIOD FROM FEBRUARY 28, 1997 TO MARCH 31, 1997	PERIOD FROM APRIL 1, 1997 TO DECEMBER 31, 1997
YEAR ENDED MARCH 31, 1996	(Pounds)000	(Pounds)000	(Pounds)000	(Pounds)000
BY ACTIVITY				
BBC.....	45,704	49,903	3,982	35,640
Other--non BBC.....	24,663	20,711	2,451	21,112
	-----	-----	-----	-----
	70,367	70,614	6,433	56,752
	=====	=====	=====	=====

4 STAFF NUMBERS AND COSTS

The average number of persons employed by the Group (including directors) during the period, analysed by category was as follows:

	HOME SERVICE		CASTLE TRANSMISSION	
	PERIOD FROM APRIL 1, 1996 TO FEBRUARY 27, 1997	PERIOD FROM APRIL 1, 1996 TO FEBRUARY 27, 1997	PERIOD FROM FEBRUARY 28, 1997 TO MARCH 31, 1997	PERIOD FROM APRIL 1, 1997 TO DECEMBER 31, 1997
YEAR ENDED MARCH 31, 1996	(Pounds)000	(Pounds)000	(Pounds)000	(Pounds)000
Operational staff.....	381	357	313	289
Project staff.....	154	125	108	97
Management, finance, personnel and other support services.....	53	70	69	89
	-----	-----	-----	-----
	588	552	490	475
	=====	=====	=====	=====

The aggregate payroll costs of these persons were as follows:

	HOME SERVICE		CASTLE TRANSMISSION	
	PERIOD FROM APRIL 1, 1996 TO FEBRUARY 27, 1997	PERIOD FROM APRIL 1, 1996 TO FEBRUARY 27, 1997	PERIOD FROM FEBRUARY 28, 1997 TO MARCH 31, 1997	PERIOD FROM APRIL 1, 1997 TO DECEMBER 31, 1997
YEAR ENDED MARCH 31, 1996	(Pounds)000	(Pounds)000	(Pounds)000	(Pounds)000
Wages and salaries.....	15,517	14,579	1,189	12,087
Social security costs...	1,159	1,061	76	768
Other pension costs.....	521	491	156	1,490
	-----	-----	-----	-----
	17,197	16,131	1,421	14,345
	=====	=====	=====	=====

CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD AND SUBSIDIARIES AND
THE BBC HOME SERVICE TRANSMISSION BUSINESS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

5 PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

	HOME SERVICE		CASTLE TRANSMISSION	
	YEARS ENDED MARCH 31, 1996	PERIOD FROM APRIL 1, 1996 TO FEBRUARY 27, 1997	PERIOD FROM FEBRUARY 28, 1997 TO MARCH 31, 1997	PERIOD FROM APRIL 1, 1997 TO DECEMBER 31, 1997
	(Pounds)000	(Pounds)000	(Pounds)000	(Pounds)000
PROFIT (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION IS STATED AFTER CHARGING:				
Depreciation and other amounts written off tangible fixed assets:				
Owned.....	12,835	13,038	1,624	14,953
Leased.....	--	--	--	147
Goodwill amortisation...	--	--	195	1,754
Hire of plant and ma- chinery--rentals pay- able under operating leases.....		112	53	79
Hire of other assets-- under operating leases.....		396	36	530
	=====	=====	=====	=====

The information in respect of hire of plant and machinery and other assets under operating leases is not available for the year ended March 31, 1996.

6 REMUNERATION OF DIRECTORS

There were no directors of Home Service.

The directors of Castle Transmission received no emoluments for the period February 28, 1997 to March 31, 1997 and (Pounds)277,000 for the period April 1, 1997 to December 31, 1997. The amounts paid to third parties in respect of directors' services were (Pounds)2,000 for the period from February 28, 1997 to March 31, 1997 and (Pounds)23,000 for the period from April 1, 1997 to December 31, 1997.

The aggregate emoluments of the highest paid director were (Pounds)170,000. The highest paid director is not a member of any Group pension scheme.

Pension entitlements

On retirement the directors participating in the Group defined benefit scheme are entitled to 1/60th of their final pensionable salary for each year of service.

CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD AND SUBSIDIARIES AND
THE BBC HOME SERVICE TRANSMISSION BUSINESS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

7 INTEREST PAYABLE AND SIMILAR CHARGES

	HOME SERVICE		CASTLE TRANSMISSION	
	YEAR ENDED MARCH 31, 1996	PERIOD FROM APRIL 1, 1996 TO FEBRUARY 27, 1997	PERIOD FROM FEBRUARY 28, 1997 TO MARCH 31, 1997	PERIOD FROM APRIL 1, 1997 TO DECEMBER 31, 1997
	(Pounds)000	(Pounds)000	(Pounds)000	(Pounds)000
On bank loans and over- drafts.....	--	--	934	3,315
On all other loans.....	--	--	--	6,934
Finance charges payable in respect of finance leases and hire pur- chase contracts.....	--	--	--	28
Finance charges amortised in respect of bank loans (see note 14).....	--	--	35	2,087
Finance charges amortised in respect of the Bonds.....	--	--	--	55
	---	---	---	---
	--	--	969	12,419
	===	===	===	=====

8 TAXATION

Home Service

There is no tax charge in respect of the results of Home Service for the year ended March 31, 1996 or for the period from April 1, 1996 to February 27, 1997. As a separate legal entity subject to normal taxation, Home Service would have capital allowances available as discussed below which would result in taxable losses for all periods. Deferred tax assets have not been recognised on such tax losses as management has concluded that it is not likely that the deferred tax asset would be realised.

Castle Transmission

There is no tax charge in respect of the period from February 28, 1997 to March 31, 1997 and April 1, 1997 to December 31, 1997. Based on an agreement with the Inland Revenue Service, Castle Transmission will have capital allowances available on capital expenditure incurred by Home Service and the BBC prior to the acquisition of approximately (Pounds)179 million. The accelerated tax deductions associated with such capital allowances result in a taxable loss for both periods. Deferred tax assets have not been recognised on such tax losses as management has concluded that it is not likely that the deferred tax asset would be realised based on the limited operating history of Castle Transmission.

CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD AND SUBSIDIARIES AND
THE BBC HOME SERVICE TRANSMISSION BUSINESS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

9 INTANGIBLE ASSETS

Castle Transmission

	AS AT MARCH 31, 1997	AS AT DECEMBER 31, 1997
	----- (Pounds)000	----- (Pounds)000
Goodwill		
Cost		
At beginning of period.....	--	46,768
Arising on acquisition of Home Service.....	46,768	--
Adjustment to the allocation of fair value arising on acquisition of Home Service (see notes 18 and 24).....	--	1,237
	-----	-----
At end of the period.....	46,768 =====	48,005 =====
Amortisation		
At beginning of period.....	--	195
Charged in period.....	195	1,754
	-----	-----
At end of the period.....	195 =====	1,949 =====
Net book value		
At end of the period.....	46,573 =====	46,056 =====

10 TANGIBLE FIXED ASSETS

Home Service

	LAND AND BUILDINGS	PLANT AND MACHINERY	COMPUTER EQUIPMENT	ASSETS UNDER CONSTRUCTION	TOTAL
	----- (Pounds)000	----- (Pounds)000	----- (Pounds)000	----- (Pounds)000	----- (Pounds)000
(i) Year ended March 31, 1996					
Cost or valuation					
At April 1, 1995.....	26,789	178,205	1,337	22,309	228,640
Additions.....	--	111	40	17,928	18,079
Disposals.....	--	--	(1,325)	--	(1,325)
Transfers.....	474	13,354	--	(13,828)	--
	-----	-----	-----	-----	-----
At March 31, 1996.....	27,263	191,670	52	26,409	245,394
	-----	-----	-----	-----	-----
Depreciation					
At April 1, 1995.....	7,291	22,671	441	--	30,403
Charge for period.....	819	12,008	8	--	12,835
On disposal.....	--	--	(436)	--	(436)
	-----	-----	-----	-----	-----
At March 31, 1996.....	8,110	34,679	13	--	42,802
	-----	-----	-----	-----	-----
Net book value					
At March 31, 1996.....	19,153 =====	156,991 =====	39 =====	26,409 =====	202,592 =====

CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD AND SUBSIDIARIES AND
THE BBC HOME SERVICE TRANSMISSION BUSINESS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

	LAND AND BUILDINGS	PLANT AND MACHINERY	COMPUTER EQUIPMENT	ASSETS UNDER CONSTRUCTION	TOTAL
	(Pounds)000	(Pounds)000	(Pounds)000	(Pounds)000	(Pounds)000
(ii) Period ended February 27, 1997					
Cost or valuation					
At April 1, 1996.....	27,263	191,670	52	26,409	245,394
Additions.....	--	24	179	14,283	14,486
Disposals.....	--	(1,816)	--	(1,718)	(3,534)
Transfers.....	2,585	23,972	252	(26,809)	--
Transfer between business units.....	10,824	(2,061)	(4)	612	9,371
At February 27, 1997....	40,672	211,789	479	12,777	265,717
Depreciation					
At April 1, 1996.....	8,110	34,679	13	--	42,802
Charge for period.....	807	12,158	73	--	13,038
On disposal.....	--	(1,816)	--	--	(1,816)
Transfers.....	46	(108)	62	--	--
Transfers between business units.....	2,185	(137)	(1)	--	2,047
At February 27, 1997....	11,148	44,776	147	--	56,071
Net book value					
At February 27, 1997....	29,524	167,013	332	12,777	209,646

The transfers between business units reflect transactions made between the predecessor business and other business units of the BBC, in preparation for the sale of Home Service. These include the transfer of the head office at Warwick into the books of Home Service prior to the sale.

Castle Transmission

	LAND AND BUILDINGS	PLANT AND MACHINERY	COMPUTER EQUIPMENT	ASSETS UNDER CONSTRUCTION	TOTAL
	(Pounds)000	(Pounds)000	(Pounds)000	(Pounds)000	(Pounds)000
(i) Period ended March 31, 1997					
Cost					
On acquisition.....	30,373	163,556	332	12,777	207,038
Additions.....	--	56	--	692	748
Transfers.....	17	59	--	(76)	--
At March 31, 1997.....	30,390	163,671	332	13,393	207,786
Depreciation					
On acquisition.....	--	--	--	--	--
Charge for period.....	86	1,529	9	--	1,624
At March 31, 1997.....	86	1,529	9	--	1,624
Net book value					
At March 31, 1997.....	30,304	162,142	323	13,393	206,162
(ii) Period ended December 31, 1997					
Cost					
At April 1, 1997.....	30,390	163,671	332	13,393	207,786
Addition.....	10	3,602	582	10,878	15,072
Transfers.....	651	12,772	--	(13,423)	--
At December 31, 1997....	31,051	180,045	914	10,848	222,858
Depreciation					
At April 1, 1997.....	86	1,529	9	--	1,624
Charge for period.....	847	13,975	278	--	15,100
At December 31, 1997....	933	15,504	287	--	16,724
Net book value					
At December 31, 1997....	30,118	164,541	627	10,848	206,134

CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD AND SUBSIDIARIES AND
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

The net book value of land and buildings comprises:

	HOME SERVICE	CASTLE TRANSMISSION	
	AT MARCH 31, 1996	AT MARCH 31, 1997	AT DECEMBER 31, 1997
	(Pounds)000	(Pounds)000	(Pounds)000
Freehold.....	16,268	21,558	21,375
Long leasehold.....	1,540	7,468	7,472
Short leasehold.....	1,345	1,278	1,271
	-----	-----	-----
	19,153	30,304	30,118
	=====	=====	=====

Included within fixed assets are the following assets held under finance leases:

	HOME SERVICE	CASTLE TRANSMISSION	
	AT MARCH 31, 1996	AT MARCH 31, 1997	AT DECEMBER 31, 1997
	(Pounds)000	(Pounds)000	(Pounds)000
Motor vehicles.....	--	--	270
Computer equipment.....	--	--	441
	---	---	---
	--	--	711
	===	===	===

11 STOCKS

	HOME SERVICE		CASTLE TRANSMISSION	
	AT MARCH 31, 1996	AT MARCH 31, 1997	AT DECEMBER 31, 1997	AT MARCH 31, 1998
	(Pounds)000	(Pounds)000	(Pounds)000	(Pounds)000 (UNAUDITED)
Work in progress (see note 13).....	--	--	274	259
Spares and manufacturing stocks.....	1,750	807	1,066	991
	---	---	---	---
	1,750	807	1,340	1,250
	=====	===	=====	=====

12 DEBTORS

	HOME SERVICE	CASTLE TRANSMISSION	
	AT MARCH 31, 1996	AT MARCH 31, 1997	AT DECEMBER 31, 1997
	(Pounds)000	(Pounds)000	(Pounds)000
Trade debtors.....	3,780	7,503	10,250
Other debtors.....	212	2,259	2,200
Prepayments and accrued income....	722	582	780
	---	---	---
	4,714	10,344	13,230
	=====	=====	=====

13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	HOME SERVICE	CASTLE TRANSMISSION	
	AT MARCH 31, 1996	AT MARCH 31, 1997	AT DECEMBER 31, 1997
	(Pounds)000	(Pounds)000	(Pounds)000
Payments on account.....	426	347	--
Obligations under finance leases and hire purchase contracts....	--	--	490
Trade creditors.....	872	4,123	1,916

Other creditors.....	--	1,519	2,153
Accruals and deferred income.....	5,329	8,831	24,580
	-----	-----	-----
	6,627	14,820	29,139
	=====	=====	=====

CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD AND SUBSIDIARIES AND
THE BBC HOME SERVICE TRANSMISSION BUSINESS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

Payments on account (and work in progress) relate to commercial projects and are shown net in the financial statements. The gross billings amount to (Pounds)3,222,000 in 1996, (Pounds)3,836,000 in March 1997 and (Pounds)2,458,000 in December 1997. The related gross costs amounted to (Pounds)2,796,000 in 1996, (Pounds)3,489,000 in March 1997 and (Pounds)2,732,000 in December 1997.

14 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

CASTLE TRANSMISSION			
	AT MARCH 31, 1997	AT DECEMBER 31, 1997	AT MARCH 31, 1998
	(Pounds)000	(Pounds)000	(Pounds)000 (UNAUDITED)
Guaranteed Bonds.....	--	120,582	120,649
Bank loans and overdrafts.....	154,358	22,945	28,004
Obligations under finance leases and hire purchase contracts.....	--	221	313
	-----	-----	-----
	154,358	143,748	148,966
	=====	=====	=====
Debts can be analysed as falling due:			
in one year or less, or on de- mand.....	--	--	
between one and two years.....	7,244	59	
between two and five years.....	29,160	162	
in five years or more.....	117,954	143,527	
	-----	-----	
	154,358	143,748	
	=====	=====	

On May 21, 1997, CTF issued and Castle Transmission guaranteed, (Pounds)125,000,000 9 percent Guaranteed Bonds due 2007 (the "Guaranteed Bonds"). The Guaranteed Bonds are redeemable at their principal amount, unless previously redeemed or purchased and cancelled, on March 30, 2007.

The Guaranteed Bonds may be redeemed in whole but not in part, at the option of CTF, at their principal amount plus accrued interest if, as a result of certain changes in the laws and regulations of the United Kingdom, CTF or Castle Transmission becomes obliged to pay additional amounts.

The Guaranteed Bonds may be redeemed in whole or in part, at the option of CTF, at any time at the higher of their principal amount and such a price as will provide a gross redemption yield 0.50 percent per annum above the gross redemption yield on the benchmark gilt plus (in either case) accrued interest.

Bondholders may, in certain circumstances including but not limited to a change in control of CTF, or the early termination of the agreement between CTI and the BBC relating to the domestic analogue transmission of radio and television programmes by CTI, require the Guaranteed Bonds to be redeemed at 101 percent of their principal amount plus accrued interest.

The Guaranteed Bonds were issued at an issue price of 99.161 percent. The Guaranteed Bonds are shown net of unamortised discount and issue costs. Interest accrues from the date of issue and is payable in arrears on March 30 each year commencing March 30, 1998.

On February 28, 1997 the Group entered into term and revolving loan facilities with a syndicate of banks. There are three facilities. Facility A and Facility B are (Pounds)122,500,000 and (Pounds)35,000,000 term loan facilities. Facility A is repayable in instalments, the last of which is due in June 2004, and Facility B is repayable in two instalments in December 2004 and June 2005. These facilities were made available to finance the amount owed to the BBC on the acquisition of the Home Service transmission business and were drawn down in full on February 28, 1997.

CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD AND SUBSIDIARIES AND
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

The third facility, Facility C, is a (Pounds)5,000,000 revolving loan facility maturing in June 2005 under which advances are to be made to the Group to finance its working capital requirements and for general corporate purposes. This facility was undrawn at March 31, 1997.

Borrowings under the facilities are secured by fixed and floating charges over substantially all of the assets and undertakings of the Group and bear interest at 2.25 percent above LIBOR for Facility B and between 0.875 percent and 1.75 percent above LIBOR (depending on the annualised debt coverage and the outstanding percentage of the facilities) for Facilities A and C.

The net proceeds of the Guaranteed Bonds were used to repay substantially all of the amounts outstanding under Facilities A, B and C. The remaining balance of Facilities A, B and C was replaced by a (Pounds)64,000,000 revolving loan facility maturing in May 2002 (the "New Facility"), under which advances will be made to CTI to finance its working capital requirements and finance capital expenditures in respect of Digital Terrestrial Television.

Borrowings under the New Facility are secured by fixed and floating charges over substantially all of the assets and undertakings of Castle Transmission and bear interest at LIBOR plus the applicable margin plus cost rate.

Included within bank loans and overdrafts is an amount of (Pounds)3,142,000 at March 31, 1997 and (Pounds)1,055,000 at December 31, 1997 representing finance costs deferred to future accounting periods in accordance with FRS4. As a result of the issuance of the Guaranteed Bonds and the New Facility, the remaining deferred financing costs of (Pounds)1,930,000, relating to Facilities A, B and C were charged to the profit and loss account during the period from April 1, 1997 to December 31, 1997.

15 PROVISION FOR LIABILITIES AND CHARGES

	CASTLE TRANSMISSION	
	AT MARCH 31, 1997	AT DECEMBER 31, 1997
	(Pounds)000	(Pounds)000
On acquisition/at the start of the period.....	1,723	1,723
Fair value adjustments (see note 24).....	--	1,016
Established in the period (see below).....	--	417
Utilised in the period.....	--	(999)
	-----	-----
At the end of the period.....	1,723	2,157
	=====	=====

Home Service did not make any provisions for liabilities and charges. On the acquisition by Castle Transmission, a provision was established for costs associated with the split of the BBC transmission business between Home Service and World Service comprising redundancy costs and costs relating to the relocation and reorganisation of shared sites. No payments or additional provisions were made in the one month period and the balance on acquisition and at March 31, 1997 was (Pounds)1,723,000.

As a result of the completion of the fair value exercise this provision was reduced by (Pounds)234,000 and a further provision was made of (Pounds)1,250,000 in respect of a contingent liability for wind loading fees that existed at February 27, 1997. See notes 18 and 24 for further details.

A further provision of (Pounds)417,000, in respect of these wind loading fees, was charged to the profit and loss account during the period from April 1, 1997 to December 31, 1997.

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16 SHARE CAPITAL

	AT MARCH 31, 1997 NUMBER OF SHARES	AT DECEMBER 31, 1997 NUMBER OF SHARES	AT MARCH 31, 1997 (Pounds)000	AT DECEMBER 31, 1997 (Pounds)000
Authorised				
Equity: Ordinary Shares of 1 pence each.....	11,477,290	11,477,290	115	115
Non-equity: Redeemable Preference Shares of 1 pence each.....	11,465,812,710	11,465,812,710	114,658	114,658
	<u>11,477,290,000</u>	<u>11,477,290,000</u>	<u>114,773</u>	<u>114,773</u>
Allotted, called up and fully paid				
Equity: Ordinary Shares of 1 pence each.....	10,234,790	10,289,790	102	103
Non-equity: Redeemable Preference Shares of 1 pence each.....	10,224,555,210	10,279,500,210	102,246	102,795
	<u>10,234,790,000</u>	<u>10,289,790,000</u>	<u>102,348</u>	<u>102,898</u>

On incorporation the Company had an authorised share capital of 100 Ordinary Shares of (Pounds)1 each of which 1 share was allotted, called up and fully paid.

On January 23, 1997, the 100 issued and unissued Ordinary Shares of (Pounds)1 each were subdivided into Ordinary Shares of 1 pence each and the authorised share capital of the Company was increased to (Pounds)114,772,900 by the creation of 11,467,290 additional Ordinary Shares of 1 pence each and by the creation of 11,465,812,710 Redeemable Preference Shares of 1 pence each.

On February 28, 1997 the Company issued for cash 10,234,690 Ordinary Shares of 1 pence each at par and 10,224,555,210 Redeemable Preference Shares of 1 pence each at par.

On September 19, 1997 a further 55,000 Ordinary Shares of 1 pence each and 54,945,000 Redeemable Preference Shares of 1 pence each were issued at par for cash. These shares were issued to certain members of the management team. Management believes that this sale price reflects the fair value of the shares at that date.

The Redeemable Preference Shares are redeemable on December 31, 2050. The Company may also redeem any number of Redeemable Preference Shares at any time by giving at least two business days' notice in writing to the holders. In addition, the Company shall redeem in full all the Redeemable Preference Shares on or before the earlier of any listing or sale of 87.5 percent or more of the issued share capital. No premium is payable on redemption.

The holders of the Redeemable Preference Shares are entitled to receive a dividend in respect of periods from January 1, 2004 at a rate of 5 percent per annum. Dividends shall accrue on a daily basis and shall, unless the Company is prohibited from paying dividends by the Companies Act 1985 or is not permitted by any financing agreement to which it is a party to pay such dividend, become a debt due from and payable to the holders of the Redeemable Preference Shares on January 1 of each year beginning January 1, 2005.

In accordance with FRS4: Capital Instruments, a finance cost has been calculated to result in a constant rate of return over the period and carrying amount for these Redeemable Preference Shares and has been included in the profit and loss account as an appropriation.

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On a winding up of the Company, the holders of the Redeemable Preference Shares would be entitled, in priority to any payment to the holders of the Ordinary Shares, to receive an amount equal to the nominal amount paid up on each Redeemable Preference Share together with all arrears and accruals of the preferential dividend payable thereon, whether or not such dividend has become due and payable.

The holders of the Redeemable Preference Shares have no right to vote at any general meeting of the Company.

At December 31, 1997 two of the shareholders held share warrants which entitled them to a maximum of 772,500 Ordinary Shares and 771,727,500 Redeemable Preference Shares issued at par. These are subject to adjustment in accordance with the conditions set out in the warrant instrument which relate to any reorganisation of the Company's share capital. The rights under the share warrants can be exercised by giving 7 days' notice to the Company. The rights lapse on the earliest of the following dates: the date of a listing of any part of the share capital on the Official List of the London Stock Exchange or any other stock exchange; the date of any sale of 85 percent or more of the issued share capital of the Company; the date on which the Company goes into liquidation; and February 28, 2007.

17 RESERVES

CASTLE TRANSMISSION	
PERIOD FROM FEBRUARY 28, 1997 TO MARCH 31, 1997	PERIOD FROM APRIL 1, 1997 TO DECEMBER 31, 1997
(Pounds)000	(Pounds)000
Profit and loss account	
At the start of the period.....	325
Retained profit/(loss) for the period..	(6,217)
Additional finance cost of non-equity shares.....	2,862

At the end of the period.....	(3,030)
	====

18 ACQUISITION

On February 28, 1997 the Company acquired the entire share capital of CTI. CTI had itself acquired the assets and liabilities of Home Service on February 27, 1997, with the intention of CTI's ensuing disposal to the Company.

As the two transactions were enacted for the purpose of the sale and purchase of Home Service, a provisional fair value exercise was performed by CTI on the acquisition of the trade and net assets of Home Service on 27 February 1997, giving rise to acquisition goodwill of (Pounds)39.6 million.

The fair value exercise was only provisional at March 31, 1997 as the elapsed time had not been sufficient to form a final judgement on the fair value adjustments. The fair value exercise has now been finalised and as a result goodwill has been increased by (Pounds)1.2 million. See note 24.

The consideration paid for the acquisition of the shares of CTI by the Company amounted to (Pounds)45 million plus fees of (Pounds)7.5 million. (Pounds)7.2 million had been paid or accrued at March 31, 1997, which gave rise to additional goodwill of (Pounds)7.5 million.

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In addition, the BBC was paid (Pounds)199 million by CTI as a repayment of the loan made by the BBC on the transfer of the assets and liabilities of Home Service. The total consideration paid by the Group amounted to (Pounds)244 million (excluding fees), which resulted in total goodwill in the Consolidated Financial Statements of (Pounds)48 million. This goodwill has been capitalised and will be written off over 20 years, the period over which the Directors consider that the Group will derive economic benefits.

19 COMMITMENTS

(a) Capital commitments at the end of the financial period for which no provision has been made, were as follows:

	HOME SERVICE	CASTLE TRANSMISSION	
	AT MARCH 31, 1996	AT MARCH 31, 1997	AT DECEMBER 31, 1997
	(Pounds)000	(Pounds)000	(Pounds)000
Contracted.....	4,192	4,785	11,431
Authorised but not contracted.....	7,969	6,490	89,729
	=====	=====	=====

(b) Annual commitments under non-cancellable operating leases were as follows:

	CASTLE TRANSMISSION	
	AT DECEMBER 31, 1997	
	LAND AND BUILDINGS	OTHER
	(Pounds)000	(Pounds)000
Operating leases which expire:		
Within one year.....	90	159
In the second to fifth years inclusive.....	343	385
Over five years.....	235	--
	---	---
	668	544
	===	===

20 PENSION SCHEME

Home Service

Home Service participated in a multi-employer pension scheme operated by the BBC. The scheme is a defined benefit scheme whereby retirement benefits are based on the employees' final remuneration and length of service and is funded through a separate trustee administered scheme. Contributions to the scheme are based on pension costs for all members of the scheme across the BBC and are made in accordance with the recommendations of independent actuaries who value the scheme at regular intervals, usually triennially. Pension scheme assets are not apportioned between different parts of the BBC.

The pension rate charged to Home Service was 4.5 percent for the year ended March 31, 1996 and for the period from April 1, 1996 to February 27, 1997. This charge took into account the surplus shown by the last actuarial valuation of the BBC scheme. Amounts charged were as follows: (Pounds)521,000 in 1996 and (Pounds)491,000 in the period from April 1, 1996 to February 27, 1997.

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Castle Transmission

The pension charge is not comparable between Home Service and Castle Transmission due to the former having a reduced charge as a result of the surplus in the BBC Pension scheme.

Under the terms of the sale agreement Castle Transmission was temporarily participating in the BBC Pension scheme until July 31, 1997. From August 1, 1997 the Group was committed under the sale agreement to establish its own pension scheme.

In respect of past service benefits, members were able to choose between transferring past service benefits to the Group scheme or leaving them in the BBC Pension scheme. To the extent that past service benefits were transferred, the BBC Pension scheme made a full transfer payment to the Group scheme calculated in accordance with the actuarial basis as set out in the sale agreement.

The pension charge for the period from February 28, 1997 to March 31, 1997 included in the accounts represented contributions payable to the BBC Pension scheme and amounted to (Pounds)156,000. Contributions are calculated at the employers' contribution rate of 17.7 per cent of pensionable salary. The contribution rate has been determined by a qualified actuary and is specified in the sale agreement.

At August 1, 1997 Castle Transmission established its own pension scheme. This is a defined benefit scheme and assets were transferred from the BBC Pension scheme to the extent that members chose to transfer past benefits. From August 1, the Castle Transmission Pension Scheme will be liable in respect of future pension benefits. The pension charge for the period from April 1, 1997 to December 31, 1997 was (Pounds)1,490,000.

There were no outstanding or prepaid contributions at either the beginning or end of the financial periods.

The Group also established a defined contribution scheme which will have a backdated start date of August 1, 1997. This scheme will be open to employees joining the Group after March 1, 1997. The defined benefit scheme will not be open to these employees. The pensionable charge for the period from April 1, 1997 to December 31, 1997 represents contributions under this scheme amounting to (Pounds)nil.

21 RECONCILIATION OF OPERATING PROFIT TO OPERATING CASH FLOWS

YEAR ENDED	HOME SERVICE		CASTLE TRANSMISSION	
	PERIOD FROM APRIL 1, 1996 TO MARCH 31, 1996	PERIOD FROM APRIL 1, 1996 TO FEBRUARY 27, 1997	PERIOD FROM FEBRUARY 28, 1997 TO MARCH 31, 1997	PERIOD FROM APRIL 1, 1997 TO DECEMBER 31, 1997
	(Pounds)000	(Pounds)000	(Pounds)000	(Pounds)000
Operating profit.....	7,785	14,002	1,245	8,776
Depreciation and amortisation charge....	12,835	13,038	1,819	16,854
(Increase)/Decrease in stocks.....	(678)	294	(2)	(746)
Decrease/(Increase) in debtors.....	2,571	(258)	(5,372)	(2,937)
Increase/(Decrease) in creditors.....	1,798	(649)	8,066	6,036
Cash inflow from operating activities...	24,311	26,427	5,756	27,983
	=====	=====	=====	=====

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22 ANALYSIS OF CASH FLOWS FOR HEADINGS NOTED IN THE CASH FLOW STATEMENT

	HOME SERVICE		CASTLE TRANSMISSION	
	YEAR ENDED MARCH 31, 1996	PERIOD FROM APRIL 1, 1996 TO FEBRUARY 27, 1997	PERIOD FROM FEBRUARY 28, 1997 TO MARCH 31, 1997	PERIOD FROM APRIL 1, 1997 TO DECEMBER 31, 1997
	(Pounds)000	(Pounds)000	(Pounds)000	(Pounds)000
RETURNS ON INVESTMENT AND SERVICING OF FINANCE				
Interest received.....	--	--	49	242
Interest paid.....	--	--	(934)	(2,670)
Net cash outflow for returns on investment for and servicing of finance.....	--	--	(885)	(2,428)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENTS				
Purchase of tangible fixed assets.....	(18,079)	(21,810)	(748)	(14,361)
Proceeds on disposal of tangible fixed assets..	889	1,718	--	--
Net cash outflow for capital expenditure and financial investments..	(17,190)	(20,092)	(748)	(14,361)
ACQUISITIONS AND DISPOSALS				
Purchase of subsidiary undertaking (see note 24).....	--	--	(52,141)	(307)
Amount paid to BBC on acquisition.....	--	--	(199,000)	--
Net cash outflow for acquisition and disposals.....	--	--	(251,141)	(307)
FINANCING				
Issue of shares.....	--	--	102,348	550
Increase/(decrease) in corporate funding.....	(7,121)	(6,335)	--	--
Debt due beyond a year: Facility A (net of issue costs).....	--	--	120,056	--
Facility B (net of issue costs).....	--	--	34,302	--
Repayment of Facility A and B.....	--	--	--	(157,500)
New Facility.....	--	--	--	24,000
Guaranteed Bonds.....	--	--	--	120,527
Net cash inflow/(outflow) from financing.....	(7,121)	(6,335)	256,706	(12,423)

23 ANALYSIS OF NET DEBT DUE AFTER ONE YEAR

	AT FEBRUARY 27, 1997	CASHFLOW	OTHER NON-CASH CHANGES	AT MARCH 31, 1997
	(Pounds)000	(Pounds)000	(Pounds)000	(Pounds)000
Cash at bank and in hand.....	--	9,688	--	9,688
Debt due after 1 year...	--	(154,358)	--	(154,358)
	--	(144,670)	--	(144,670)
	===	=====	===	=====

	AT MARCH 31, 1997	CASHFLOW	OTHER NON-CASH CHANGES	AT DECEMBER 31, 1997
--	----------------------	----------	------------------------------	-------------------------

	(Pounds)000	(Pounds)000	(Pounds)000	(Pounds)000
Cash at bank and in hand.....	9,688	(1,536)	--	8,152
Finance leases.....	--	--	(711)	(711)
Debt due after 1 year...	(154,358)	12,973	(2,142)	(143,527)
	<u>(144,670)</u>	<u>11,437</u>	<u>(2,853)</u>	<u>(136,086)</u>
	=====	=====	=====	=====

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24 PURCHASE OF SUBSIDIARY UNDERTAKING

	AT MARCH 31, 1997	FAIR VALUE ADJUSTMENTS	AT DECEMBER 31, 1997
	(Pounds)000	(Pounds)000	(Pounds)000
Net assets acquired:			
Tangible fixed assets.....	207,038	--	207,038
Stocks.....	119	134	253
Debtors.....	4,972	(97)	4,875
Creditors--trade.....	(6,033)	49	(5,984)
--owed to BBC on acquisition.....	(199,000)	--	(199,000)
Provisions (see note 15).....	(1,723)	(1,016)	(2,739)
Adjusted net assets acquired....	5,373	(930)	4,443
Goodwill.....	46,768	1,237	48,005
Cost of acquisition including related fees.....	52,141	307	52,448
Satisfied by:			
Cash.....	52,141	307	52,448

The total consideration paid by Castle Transmission included the assumption and subsequent repayment of (Pounds)199 million paid to the BBC, see note 18.

Fair value adjustments

The fair value adjustments result from the completion of the fair value exercise performed by CTI on the acquisition of Home Service and the under accrual of fees by the Company, in relation to the acquisition of CTI, at March 31, 1997. The (Pounds)1,237,000 increase in goodwill relates predominantly to the provision of (Pounds)1,250,000 in respect of a dispute over wind loading fees. This dispute was an existing contingent liability at the date of acquisition and consequently provision has been made against the fair value of the assets and liabilities of Home Service at February 27, 1998.

25 RELATED PARTY DISCLOSURES

Home Service

Throughout the year ended March, 31 1996 and the period from April 1, 1996 to February 27, 1997, Home Service entered into a number of transactions with other parts of the BBC. Substantially all of these transactions are exempt from the disclosure provisions of FRS 8 "Related Party Disclosures" as they have been undertaken between different parts of the BBC, and are eliminated in the consolidated accounts of the BBC. However, brief details of the nature of these transactions are set out below.

The majority of Home Service's income arises from trading with other parts of the BBC. Prices are set at BBC group level on the basis of cost budgets prepared by Home Service. The aggregate value of such sales in each of the years covered by the combined financial statements is given in Note 3.

Administrative costs include expenses re-charged to Home Service by the BBC. These re-charges related to costs incurred centrally in respect of pension, information technology, occupancy and other administration costs. These charges amounted to (Pounds)5.8 million in 1996 and (Pounds)1.2 million in the period between April 1, 1996 and February 27, 1997. The reduced charge for the period to February 27, 1997 is a result of more functions being carried out by employees of Home Service in preparation for the change to a stand alone entity.

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In addition, re-charges were also made for distribution costs relating to telecommunication links between the BBC and the transmitting stations and these were then internally re-charged to other parts of the BBC. The charges amounted to (Pounds)5.6 million in 1996 and (Pounds)6.4 million in the period between April 1, 1996 and February 27, 1997.

Castle Transmission

The Shareholders of Castle Transmission are:

Crown Castle International Corp. ("CCIC", formerly Castle Tower Holding Corp.), Candover Investments plc and funds managed by it ("Candover"), TeleDiffusion de France International S.A ("TdF") and Berkshire Partners LLC and funds managed by it ("Berkshire"). They are considered to be related parties as they are the consortium who own 99 percent of the shares of the Company.

Castle Transmission paid fees to shareholders in respect of expenses incurred during the acquisition and success fees. Castle Transmission also has management agreements with CCIC (for commercial and financial advice and training and consultancy) and TdF (for technical advice and consulting), these agreements run for five years from February 28, 1997. Fees are payable on the basis of an annual fee for agreed services provided to Castle Transmission, together with fees on a commercial arm's length basis for any additional services provided. In addition Castle Transmission has agreed to reimburse shareholders' expenses in relation to attendance at board meetings. The amounts paid and accrued by the Company during the period were as follows:

RELATED PARTY	AMOUNTS	AMOUNTS	AMOUNTS	TOTAL AMOUNTS
	EXPENSED	CAPITALISED	PAID	PAYABLE AT MARCH 31, 1997
	(Pounds)000	(Pounds)000	(Pounds)000	(Pounds)000
CCIC.....	20	1,763	1,763	20
Candover.....	1	244	244	1
TdF.....	--	129	--	129
Berkshire.....	1	315	316	--
	---	----	----	---
	22	2,451	2,323	150
	===	=====	=====	===

RELATED PARTY	TOTAL AMOUNTS	AMOUNTS	AMOUNTS	AMOUNTS	TOTAL AMOUNTS
	PAYABLE AT MARCH 31, 1997	EXPENSED	CAPITALISED	PAID	PAYABLE AT DECEMBER 31, 1997
	(Pounds)000	(Pounds)000	(Pounds)000	(Pounds)000	(Pounds)000
CCIC.....	20	253	--	246	27
Candover.....	1	16	--	13	4
TdF.....	129	--	--	129	--
Berkshire.....	--	55	--	43	12
	---	---	---	---	---
	150	324	--	431	43
	===	===	===	===	===

Ongoing BBC relationship

At the time of the acquisition of Home Service, Castle Transmission entered into a ten year transmission contract with the BBC for the provision of domestic terrestrial analogue television and radio transmission services expiring on March 31, 2007. Thereafter, the contract continues until terminated by twelve months notice by either party on March 31 in any contract year from and including March 31, 2007. It may also be terminated early if certain conditions are met.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

The contract provides for charges of approximately (Pounds)46 million to be payable by the BBC to Castle Transmission for the year to March 31, 1998. Castle Transmission's charges for subsequent years of the contract are largely determined by a formula which escalates the majority of the charges by a factor which is 1% below the rate of increase in the Retail Price Index over the previous calendar year. Those elements of the charges which are subject to the escalation formula for the contract year commencing April 1, 1998 amount to approximately (Pounds)46 million.

26 POST BALANCE SHEET EVENTS

On January 23, 1998, the Board of Directors adopted: (i) the All Employee Share Option Scheme; (ii) the Management Share Option Scheme; and (iii) individual share option arrangements for certain directors of the Company.

The All Employee Share Option Scheme provides for an unlimited number of shares to be granted to all employees of the Company. The Board may select any number of individuals to apply for the grant of an option. Not later than thirty days following the date by which an application must be made, the Board may grant to each applicant the number of options specified in his application. These options may be exercised at the earliest of the third anniversary of the date of grant, in the event of a flotation or in the event of a take-over, reconstruction, liquidation or option exchange as set out in the Scheme rules. For options granted under this scheme the option price and the number of shares will not change during the life of the option.

Under the terms of the Management Share Option Scheme and the individual share option arrangements, share options may be granted to employees or directors of the Company as determined by the Board of Directors up to a maximum of 460,000 Ordinary Shares and 459,540,000 Redeemable Preference Shares. Options will vest over periods of up to four years and have a maximum term of up to nine years. For options over 223,333 Ordinary Shares and 223,110,000 Redeemable Preference Shares, the option price and the number of shares will not change during the life of the option. The remaining options are subject to certain performance criteria.

On January 23, 1998 and January 30, 1998 the Company granted options to purchase an aggregate of 460,000 Ordinary Shares and 459,540,000 Redeemable Preference Shares under the terms of the individual share option arrangements and the Management Share Option Scheme, respectively. The weighted average price for such options is 1.16 pence for Ordinary Shares and 1.16 pence for Redeemable Preference Shares. The weighted average vesting period for such options is 1.13 years. Any accounting charge resulting from a difference between the fair value of the rights to the shares at the date of grant and the amount of consideration to be paid for the shares will be charged to the profit and loss account in the year to December 31, 1998 and subsequent years according to the vesting provisions of the arrangements. Where the options are subject to performance criteria, the amount initially recognised will be based on a reasonable expectation of the extent to which these criteria will be met and will be subject to subsequent adjustments as necessary to deal with changes in the probability of performance criteria being met.

Update of post balance sheet events (Unaudited)

On March 23, 1998, the Company granted options to purchase an aggregate of 40,750 Ordinary Shares and 40,709,250 Redeemable Preference Shares under the terms of the All Employee Share Option Scheme. The price for such options is 1.00 pence for both Ordinary Shares and Redeemable Preference Shares. The vesting period for such options is three years.

The accounting charge related to share options included within the unaudited consolidated financial statements for the three months ended March 31, 1998 is (Pounds) 1,751,000.

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On April 23, 1998, the Board of Directors adopted share option arrangements for certain individuals. On that same date, the Company granted options to purchase 60,000 Ordinary Shares and 59,940,000 Redeemable Preference Shares under the terms of such share option arrangements. These options will vest over a period of four years and have a maximum term of six years. The weighted average price of such options is 1.75 pence for both Ordinary Shares and Redeemable Preference Shares. The weighted average vesting period for such options is two years.

27 SUMMARY OF DIFFERENCES BETWEEN UNITED KINGDOM AND UNITED STATES GENERALLY
ACCEPTED ACCOUNTING PRINCIPLES

These consolidated financial statements have been prepared in accordance with UK GAAP, which differ in certain respects from US GAAP. The differences that affect Home Service and Castle Transmission are set out below:

(A) TANGIBLE FIXED ASSETS

During 1993 Home Service revalued upwards its investments in certain identifiable tangible fixed assets. Such upward revaluation is not permissible under US GAAP. Rather, depreciated historical cost must be used in financial statements prepared in accordance with US GAAP.

In the period between April 1, 1996 and February 27, 1997 there were a number of transfers of fixed assets to and from other parts of the BBC as explained in note 10. For US GAAP purposes these transfers have been accounted for under the as-if-pooling-of-interests method for transactions between entities under common control.

(B) DEFERRED TAXATION

Under UK GAAP, deferred taxes are accounted for to the extent that it is considered probable that a liability or asset will crystallise in the foreseeable future. Under US GAAP, deferred taxes are accounted for on all timing differences and a valuation allowance is established in respect of those deferred tax assets where it is more likely than not that some portion will remain unrealised. Deferred tax also arises in relation to the tax effect of other US GAAP adjustments.

(C) PENSIONS

The Group accounts for costs of pensions under the rules set out in the UK accounting standards. US GAAP is more prescriptive in respect of actuarial assumptions and the allocation of costs to accounting periods.

(D) CAPITALISED INTEREST

Under US GAAP, interest incurred during the construction periods of tangible fixed assets is capitalised and depreciated over the life of the assets.

(E) REDEEMABLE PREFERENCE SHARES

Under UK GAAP, preference shares with mandatory redemption features or redeemable at the option of the security holder are classified as a component of total shareholders' funds. US GAAP requires such redeemable preference shares to be classified outside of shareholders' funds.

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	HOME SERVICE		CASTLE TRANSMISSION	
	AT MARCH 31,		AT DECEMBER 31,	AT MARCH 31,
	1996	1997	1997	1998
	(Pounds)000	(Pounds)000	(Pounds)000	(Pounds)000 (UNAUDITED)
Corporate funding/shareholders' funds as reported in the balance sheets.....	202,429	102,673	99,868	101,022
US GAAP adjustments:				
Depreciation adjustment on tangible fixed assets.....	(35,945)	--	--	--
Pensions.....	--	--	65	104
Capitalised interest..	--	78	879	1,192
Redeemable preference shares (including additional finance cost of non-equity shares).....	--	(102,564)	(105,975)	(106,962)
Corporate funding/shareholders' funds/(deficit) under US GAAP.....	166,484	187	(5,163)	(4,644)
	=====	=====	=====	=====

Crown Castle International
U.K. Communication Footprints

[Graphic -- Map of U.K. Communication Sites] * Owned Tower Sites
** Shared Broadcasting Sites (1)

(1) See "Business- U.K. Operations- Significant Contracts-
Site-Sharing Agreement".

NO DEALER, SALESMAN OR ANY OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS, AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY, THE SELLING STOCKHOLDERS OR THE U.S. UNDERWRITERS. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITIES OTHER THAN THE SECURITIES TO WHICH IT RELATES OR ANY OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY SUCH SECURITIES IN ANY CIRCUMSTANCES IN WHICH SUCH OFFER OR SOLICITATION IS UNLAWFUL. NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COMPANY SINCE THE DATE HEREOF OR THAT THE INFORMATION CONTAINED HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO ITS DATE.

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 UNTIL , 1998 (25 DAYS AFTER THE DATE OF THIS PROSPECTUS), ALL DEALERS EFFECTING TRANSACTIONS IN THE COMMON STOCK, WHETHER OR NOT PARTICIPATING IN THIS DISTRIBUTION, MAY BE REQUIRED TO DELIVER A PROSPECTUS. THIS IS IN ADDITION TO THE OBLIGATION OF DEALERS TO DELIVER A PROSPECTUS WHEN ACTING AS UNDERWRITERS AND WITH RESPECT TO THEIR UNSOLD ALLOTMENTS OR SUBSCRIPTIONS.

 31,250,000 SHARES

LOGO

CROWN CASTLE INTERNATIONAL CORP.

COMMON STOCK

 PROSPECTUS
 , 1998

 LEHMAN BROTHERS

CREDIT SUISSE FIRST BOSTON

GOLDMAN, SACHS & CO.

SALOMON SMITH BARNEY

+-----+
 +INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. A +
 +REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE +
 +SECURITIES AND EXCHANGE COMMISSION. THESE SECURITIES MAY NOT BE SOLD NOR MAY +
 +OFFERS TO BUY BE ACCEPTED PRIOR TO THE TIME THE REGISTRATION STATEMENT +
 +BECOMES EFFECTIVE. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR +
 +THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THESE +
 +SECURITIES IN ANY STATE IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE +
 +UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF +
 +ANY SUCH STATE. +
 +-----+

[INTERNATIONAL PROSPECTUS -- ALTERNATE PAGE]

PROSPECTUS Subject to Completion, dated July 28, 1998
LOGO

31,250,000 SHARES
 CROWN CASTLE INTERNATIONAL CORP.
 COMMON STOCK

Of the 31,250,000 shares of Common Stock, par value \$.01 per share (the "Common Stock"), offered hereby, 27,500,000 shares are being sold by Crown Castle International Corp. ("CCIC" or the "Company"), and 3,750,000 shares are being sold by a stockholder of the Company. In addition, certain other stockholders of the Company have granted the U.S. Underwriters an option to purchase shares of Common Stock solely to cover over-allotments, if any. See "Principal and Selling Stockholders". Of the 31,250,000 shares of Common Stock being offered, 6,250,000 shares are being offered initially outside the United States and Canada (the "International Offering") by the International Managers and 25,000,000 shares are being concurrently offered in the United States and Canada (the "U.S. Offering") by the U.S. Underwriters (together with the International Managers, the "Underwriters"). The International Offering and the U.S. Offering, including the application of the net proceeds therefrom, are collectively referred to as the "Offering".

Pursuant to a Share Exchange Agreement dated April 24, 1998, (i) all shareholders of Castle Transmission Services (Holdings) Ltd ("CTSH") (other than the Company, TeleDiffusion de France International S.A. ("TdF") and Digital Future Investments B.V., which is an affiliate of TdF ("DFI")) will exchange their shares of capital stock of CTSH for shares of Common Stock of the Company and (ii) DFI will exchange its shares of capital stock of CTSH for shares of Class A Common Stock, par value \$.01 per share (the "Class A Common Stock"), of the Company. The closing of the Offering is conditioned upon the concurrent consummation of such exchanges and certain other transactions. See "The Roll-Up".

The Company's common stock has been designated into two classes, consisting of Common Stock and Class A Common Stock. Under the Company's Restated Certificate of Incorporation (the "Certificate of Incorporation"), with respect to matters on which the holders of the Company's common stock have the right to vote, stockholder approval generally will require the affirmative vote of the holders of a majority of the voting power of the Company, with the holders of the Common Stock and the Class A Common Stock voting together as a single class. However, certain specified actions will require the approval of the holders of a majority of the Class A Common Stock. In addition, the holders of the Class A Common Stock, voting as a separate class, will have the right to elect up to two members of the Company's Board of Directors and will not vote in the election of directors by the holders of the Company's other voting stock entitled to vote in the election of directors. See "The Roll-Up" and "Description of Capital Stock".

Prior to the Offering, there has been no public market for the Common Stock. It is currently estimated that the initial public offering price per share will be between \$17.00 and \$19.00. For information relating to the factors that will be considered in determining the initial public offering price, see "Underwriting". The Common Stock has been approved for listing on the Nasdaq Stock Market's National Market ("NNM") under the symbol "TWRS".

 SEE "RISK FACTORS" BEGINNING ON PAGE 17 HEREIN FOR CERTAIN FACTORS THAT SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

	Underwriting	Proceeds to	Proceeds to	Selling
	Price to Public	Discounts and Commissions(1)	Company(2)	Stockholders
Per Share.....	\$	\$	\$	\$

Total(3)..... \$ \$ \$ \$

- -----
- (1) The Company and the Selling Stockholders have agreed to indemnify the Underwriters against certain liabilities, including liabilities under the Securities Act of 1933. See "Underwriting".
 - (2) Before deducting expenses payable by the Company estimated to be \$.
 - (3) Certain Selling Stockholders have granted the U.S. Underwriters a 30-day option to purchase up to an aggregate of 4,687,500 additional shares of Common Stock on the same terms and conditions as set forth herein, solely to cover over-allotments, if any. If such option is exercised in full, the total Price to Public, Underwriting Discounts and Commissions and Proceeds to Selling Stockholders will be , and , respectively. See "Underwriting".

The shares of Common Stock offered by this Prospectus are offered by the International Managers subject to prior sale, to withdrawal, cancellation, or modification of the offer without notice, to delivery to and acceptance by the International Managers and to certain further conditions. It is expected that delivery of the shares will be made at the offices of Lehman Brothers Inc., New York, New York, on or about , 1998.

LEHMAN BROTHERS
CREDIT SUISSE FIRST BOSTON
GOLDMAN SACHS INTERNATIONAL
SALOMON SMITH BARNEY
, 1998

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UNTIL , 1998 (25 DAYS AFTER THE DATE OF THIS INTERNATIONAL PROSPECTUS), ALL DEALERS EFFECTING TRANSACTIONS IN THE COMMON STOCK IN THE UNITED STATES, WHETHER OR NOT PARTICIPATING IN THIS DISTRIBUTION, MAY BE REQUIRED TO DELIVER A PROSPECTUS. THIS IS IN ADDITION TO THE OBLIGATION OF DEALERS TO DELIVER A PROSPECTUS WHEN ACTING AS UNDERWRITERS OR WITH RESPECT TO THEIR UNSOLD ALLOTMENTS OR SUBSCRIPTIONS IN TRANSACTIONS IN THE UNITED STATES.

31,250,000 SHARES

[LOGO]

CROWN CASTLE INTERNATIONAL CORP.

COMMON STOCK

PROSPECTUS
, 1998

LEHMAN BROTHERS

CREDIT SUISSE FIRST BOSTON

GOLDMAN SACHS INTERNATIONAL

SALOMON SMITH BARNEY

PART II

INFORMATION NOT REQUIRED IN THE PROSPECTUS

ITEM 13. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION

Set forth below is a table of the registration fee for the Securities and Exchange Commission, the filing fee for the National Association of Securities Dealers, Inc., the listing fee for the Nasdaq Stock Market and estimates of all other expenses to be incurred in connection with the issuance and distribution of the securities described in the Registration Statement, other than underwriting discounts and commissions:

SEC registration fee.....	\$ 201,430
NASD filing fee.....	30,500
Nasdaq listing fee.....	95,000
Printing and engraving expenses.....	700,000
Legal fees and expenses.....	1,150,000
Accounting fees and expenses.....	250,000
Transfer agent and registrar fees.....	6,000
Miscellaneous.....	67,070

Total.....	\$2,500,000
	=====

ITEM 14. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 145 of the General Corporation Law of the State of Delaware ("DGCL") provides that a corporation has the power to indemnify any director or officer, or former director or officer, who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) against the expenses (including attorney's fees), judgments, fines or amounts paid in settlement actually and reasonably incurred by them in connection with the defense of any action by reason of being or having been directors or officers, if such person shall have acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, provided that such person had no reasonable cause to believe his conduct was unlawful, except that, if such action shall be in the right of the corporation, no such indemnification shall be provided as to any claim, issue or matter as to which such person shall have been judged to have been liable to the corporation unless and to the extent that the Court of Chancery of the State of Delaware (the "Court of Chancery"), or any court in such suit or action was brought, shall determine upon application that, in view of all of the circumstances of the case, such person is fairly and reasonably entitled to indemnify for such expenses as such court shall deem proper.

Accordingly, the Restated Certificate of Incorporation of the Company (filed herewith as Exhibit 3.1) provide that the Company shall, to the maximum extent permitted under the DGCL indemnify each person who is or was a director or officer of the Company. The Company may, by action of the Board of Directors, indemnify other employees and agents of the Corporation, directors, officers, employees or agents of a subsidiary, and each person serving as a director, officer, partner, member, employee or agent or another corporation, partnership, limited liability company, joint venture, trust or other enterprise, at the request of the Company, with the same scope and effect as the indemnification of directors and officers of the Company. Notwithstanding the foregoing, the Company shall be required to indemnify any person seeking indemnification in connection with a proceeding (or part thereof) initiated by such person only if such proceeding (or part thereof) was authorized by the Board of Directors or is a proceeding to enforce such person's claim to indemnification pursuant to the rights granted by the Restated Certificate of Incorporation or otherwise by the Company. The Company may also enter into one or more agreements with any person which provide for indemnification greater or different than that provided in the Restated Certificate of Incorporation.

Furthermore, a director of the Company shall not be liable to the Company or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (1) for any breach of the director's duty of loyalty to the Company or its stockholders, (2) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (3) under Section 174 of the DGCL, or (4) for any transaction from which the director derived an improper personal benefit.

The Company's Bylaws provide that each person who was or is made a party or is threatened to be made a party to or is involved in any manner in any threatened, pending or completed action, suit, or proceeding, whether civil, criminal, administrative or investigative ("Proceeding"), by reason of the fact that he or she or a person of whom he or she is the legal representative is or was a director or officer of the Company or, while a director or officer of the Company, a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise shall be indemnified and held harmless by the Company to the fullest extent permitted by the DGCL. Such indemnification shall continue as to a person who has ceased to be a director or officer and shall inure to the benefit of his or her heirs, executors and administrators; provided, however, that the Company shall indemnify any such person seeking indemnification in connection with a Proceeding (or part thereof) initiated by such person only if such Proceeding (or part thereof) was authorized by the Board of Directors or is a Proceeding to enforce such person's claim to indemnification pursuant to the rights granted by the Company's Bylaws. The Company shall pay the expenses incurred by any person described in the first two sentences of this paragraph in defending any such Proceeding in advance of its final disposition upon, to the extent such an undertaking is required by applicable law, receipt of an undertaking by or on behalf of such person to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the Company as authorized in the Company's Bylaws or otherwise.

The Company's Bylaws further provide that the indemnification and the advancement of expenses incurred in defending a Proceeding prior to its final disposition provided by, or granted pursuant to, the Company's Bylaws shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the Restated Certificate of Incorporation, other provision of the Company's Bylaws or otherwise. The Company may also maintain insurance, at its expense, to protect itself and any person who is or was a director, officer, partner, member, employee or agent of the Company or a subsidiary or of another corporation, partnership, limited liability company, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Company would have the power to indemnify such person against such expense, liability or loss under the DGCL.

The Company's Bylaws further provide that the Company may, to the extent authorized from time to time by the Board of Directors, grant rights to indemnification, and rights to be paid by the Company the expenses incurred in defending any Proceeding in advance of its final disposition, to any person who is or was an employee or agent (other than a director or officer) of the Company or a subsidiary thereof and to any person who is or was serving at the request of the Company or a subsidiary thereof as a director, officer, partner, member, employee or agent of another corporation, partnership, limited liability company, joint venture, trust or other enterprise, including service with respect to employee benefit plans maintained or sponsored by the Company or a subsidiary thereof, to the fullest extent of the provisions of the Company's Bylaws with respect to the indemnification and advancement of expenses of directors and officers of the Company.

ITEM 15. RECENT SALES OF UNREGISTERED SECURITIES

In each of the sales described below, unless otherwise indicated, the Company (or the relevant predecessor) relied on Section 4(2) of the Securities Act of 1933 for exemption from registration. No brokers or underwriters were used in connection with any of such sales. The recipients of securities in each such transaction represented their intention to acquire the securities for investment only and not with a view to or for sale in connection with any distribution thereof and appropriate legends were affixed to the share certificates, warrants and notes issued

in such transactions. All recipients had adequate access, through their relationship with the Company, to information about the Company.

Through May 31, 1998, the Company had raised approximately \$367.0 million through private sales of debt and equity securities in a series of private placements with various institutional and other accredited investors and certain employees of the Company as described below.

CTC Investment. On January 11, 1995, CTC, a predecessor to CCIC, sold (i) to Ted B. Miller, Jr. and Edward C. Hutcheson, Jr. (collectively, the "Initial Stockholders") 1,350,000 shares of Class A Common Stock, par value \$.01 per share, of CTC for \$270,000 and (ii) to Centennial Fund IV, Berkshire Fund III, A Limited Partnership (via Berkshire Fund III Investment Corp.) and certain trusts and natural persons that are now members of Berkshire Investors LLC (collectively, the "Berkshire Fund III Group") and J. Landis Martin (collectively, the "CTC Purchasers"), (A) 1,350,000 shares Class B Common Stock, par value \$.01 per share, of CTC for \$270,000, (B) 730,380 shares of Series A Convertible Preferred Stock, par value \$.01 per share, of CTC for \$4,382,280 and (C) \$3,867,720 principal amount of Convertible Secured Subordinated Notes of CTC (the "CTC Notes") for \$3,867,720. As of February 1997, all the CTC Notes had been converted into 644,620 shares of Series A Convertible Preferred Stock of the Company. The proceeds received on January 11, 1995 were used by CTC for the acquisition of towers and ancillary assets from PCI and for working capital.

Pursuant to a Securities Exchange Agreement (the "Securities Exchange Agreement"), dated as of April 27, 1995, among the Company, CTC, the Initial Stockholders and the CTC Purchasers, such parties effectively made CCIC the holding company of CTC and converted some of the obligations of CTC into capital stock of CCIC. Transactions pursuant to the Securities Exchange Agreement included (i) Centennial Fund IV transferring 208,334 shares of CTC Series A Convertible Preferred Stock to Berkshire Fund III Group in exchange for \$1,250,004 principal amount of CTC Notes, (ii) Berkshire Fund III Group and J. Landis Martin converting all remaining CTC Notes held by them (\$742,452 principal amount) into 123,742 shares of CTC Series A Convertible Preferred Stock, (iii) each of the outstanding shares of capital stock of CTC being exchanged for five shares of similar stock of CCIC and (iv) the remaining CTC Notes (\$3,125,268 principal amount) becoming convertible into shares of Series A Convertible Preferred Stock (all of which CTC Notes were subsequently converted in February 1997).

As a result of the exchange of CTC capital stock for CCIC capital stock, each Initial Stockholder received 675,000 shares of Existing Class A Common Stock, Centennial Fund IV received 1,080,000 shares of Common Stock and 145,789 shares of Series A Preferred Stock, Mr. Martin received 41,666 shares of Series A Preferred Stock and Berkshire Fund III Group received 270,000 shares of Common Stock and 666,667 shares of Series A Preferred Stock. In July 21, 1995, Robert F. McKenzie became a party by amendment to the Securities Exchange Agreement and received 8,333 shares of Series A Preferred Stock.

1996 Investors Investment. Pursuant to a Securities Purchase Agreement, dated as of July 15, 1996, among the Company, Berkshire Fund III Group, Centennial Fund IV, J. Landis Martin, Edward C. Hutcheson, Jr. and Robert F. McKenzie, the Company privately placed 864,568 shares of its Series B Convertible Preferred Stock, par value \$.01 per share ("Series B Convertible Preferred Stock"), for an aggregate purchase price of \$10,374,816. Berkshire Fund III Group paid \$6,000,000 for 500,000 shares, Centennial Fund IV paid \$3,724,812 for 310,401 shares, Mr. Martin paid \$500,004 for 41,667 shares, Mr. Hutcheson paid \$99,996 for 8,333 shares and Mr. McKenzie paid \$50,004 for 4,167 shares. The proceeds received on July 15, 1996 were used for (i) the purchase of the towers and microwave and SMR businesses from Motorola in Puerto Rico, (ii) an option payment relating to the acquisition of TEA and TeleStructures and (iii) working capital.

Berkshire Fund IV Investment. Pursuant to a Securities Purchase Agreement, dated as of February 14, 1997, among the Company, Centennial Fund V and Centennial Entrepreneurs Fund V, L.P. (collectively, the "Centennial Fund V Investors" and, together with Centennial Fund IV, the "Centennial Group"), Berkshire Fund IV, Limited Partnership (via Berkshire Fund IV Investment Corp.), and certain trusts and natural persons which are members of Berkshire Investors LLC (collectively, the "Berkshire Fund IV Group" and, together with

Berkshire Fund III Group, the "Berkshire Partners Group"), PNC Venture Corp., Nassau Capital Partners II L.P. ("Nassau Capital"), NAS Partners I L.L.C. ("NAS Partners" and, together with Nassau Capital, the "Nassau Group"), Fay, Richwhite Communications Limited ("Fay Richwhite"), J. Landis Martin and Robert F. McKenzie, the Company privately placed 3,529,832 shares of its Series C Convertible Preferred Stock, par value \$.01 per share ("Series C Convertible Preferred Stock"), for an aggregate purchase price of \$74,126,472. Centennial Fund V Investors paid \$15,464,001 for 736,381 shares, Berkshire Fund IV Group paid \$21,809,991 for 1,038,571 shares, PNC Venture Corp. paid \$6,300,000 for 300,000 shares, Nassau Group paid an aggregate of \$19,499,991 for 928,571 shares, Fay Richwhite paid \$9,999,990 for 476,190 shares, Mr. Martin paid \$999,999 for 47,619 shares and Mr. McKenzie paid \$52,500 for 2,500 shares. The proceeds received on February 14, 1997 were used by the Company to fund a portion of its investment in CTI.

Hutcheson Investment. In March 1997, Edward C. Hutcheson, Jr. exercised stock options for 345,000 shares of Common Stock. The Company repurchased these shares and 308,435 shares of his Existing Class A Common Stock for \$3,422,118.

TEA Investment. In May 1997, in connection with the Company's acquisition of the stock of TeleStructures, TEA and TeleShare, Inc. (the "TEA Companies"), the Company issued 535,710 shares of Common Stock to the shareholders of the TEA Companies: 241,070 shares to Bruce W. Neurohr, 241,070 shares to Charles H. Jones and 53,570 shares to Terrel W. Pugh.

Crown Investment. In August 1997, Robert A. Crown and Barbara Crown sold the assets of Crown Communications to, and merged CNSI and CMSI with, subsidiaries of the Company. As partial consideration for these transactions, the Crowns received 7,325,000 shares of Common Stock. Robert A. Crown and Barbara Crown are both parties to the Stockholders Agreement and are subject to its restrictions.

AHA Investment. Pursuant to a Securities Purchase Agreement, dated as of August 13, 1997, among the Company, American Home Assurance Company ("AHA"), New York Life Insurance Company ("New York Life"), The Northwestern Mutual Life Insurance Company ("Northwestern Mutual"), PNC Venture Corp., J. Landis Martin and affiliates of AHA, the Company privately placed of 292,995 shares of its Senior Convertible Preferred Stock for an aggregate purchase price of \$29,299,500, together with warrants to purchase 585,990 shares of Common Stock at \$7.50 per share (subject to adjustment, including weighted average antidilution adjustments). AHA and its affiliates paid \$15,099,500 for 150,995 shares and warrants to purchase 301,990 shares of Common Stock. New York Life and Northwestern Mutual each paid \$6,000,000 for 60,000 shares and warrants to purchase 120,000 shares of Common Stock. PNC Venture Corp. paid \$2,000,000 for 20,000 shares and warrants to purchase 40,000 shares of Common Stock. Mr. Martin paid \$200,000 for 2,000 shares and warrants to purchase 4,000 shares of Common Stock. The proceeds received on August 13, 1997 were used by the Company to fund a portion of the Crown Merger and working capital.

Harvard Investment. Pursuant to a Securities Purchase Agreement, dated as of October 31, 1997, among the Company, Berkshire Partners Group, Centennial Fund V Investors, Nassau Group, Fay Richwhite, Harvard Private Capital Holdings, Inc. ("Harvard"), Prime VIII, L.P. ("Prime") and the prior purchasers of Senior Convertible Preferred Stock (other than affiliates of AHA), an additional 364,500 shares of Senior Convertible Preferred Stock were issued for an aggregate purchase price of \$36,450,000, together with warrants to purchase 729,000 shares of Common Stock at \$7.50 per share (subject to adjustment, including weighted average antidilution adjustments). Berkshire Partners Group paid \$3,500,000 for 35,000 shares and warrants to purchase 70,000 shares of Common Stock. Centennial V Investors paid \$1,000,000 for 10,000 shares and warrants to purchase 20,000 shares of Common Stock. Nassau Group and Fay Richwhite each paid \$2,500,000 for 25,000 shares and warrants to purchase 50,000 shares of Common Stock. Harvard paid \$14,950,000 for 149,500 shares and warrants to purchase 299,000 shares of Common Stock. Prime paid \$5,000,000 for 50,000 shares and warrants to purchase 100,000 shares of Common Stock. AHA paid \$1,500,000 for 15,000 shares and warrants to purchase 30,000 shares of Common Stock. New York Life paid \$300,000 for 3,000 shares and warrants to purchase 6,000 shares of Common Stock. Northwestern Mutual paid \$4,000,000 for 40,000 shares and warrants

to purchase 80,000 shares of Common Stock. PNC Venture Corp. paid \$1,000,000 for 10,000 shares and warrants to purchase 20,000 shares of Common Stock. J. Landis Martin paid \$200,000 for 2,000 shares and warrants to purchase 4,000 shares of Common Stock.

Employee Purchases. On October 30, 1995, in connection with an employment agreement, an employee of the Company purchased 83,330 shares of Common Stock from the Company at \$1.20 per share. On October 1, 1996, David L. Ivy purchased 50,000 shares of Common Stock from the Company at \$2.40 per share. On February 3, 1997, John L. Gwyn purchased 2,500 shares of Common Stock from the Company at \$4.20 per share. On June 12, 1997, an employee of the Company purchased 2,500 shares of Common Stock from the Company at \$4.20 per share.

Option Exercises. On July 30, 1997, Robert F. McKenzie, a director of the Company, exercised options for 6,250 shares of Common Stock at an exercise price of \$1.20 per share and on August 8, 1997, exercised options for 11,875 shares of Common Stock at an exercise price of \$4.20 per share.

10 5/8% Senior Discount Notes due 2007. On November 20, 1997, the Company privately placed under Rule 144A and Regulation S of the Securities Act \$251.0 million principal amount at maturity (\$150,010,150 initial accreted value) of its 10 5/8% Senior Discount Notes due 2007, yielding net proceeds to the Company of approximately \$143.7 million after deducting discounts and estimated fees and expenses. Lehman Brothers Inc. and Credit Suisse First Boston Corporation were the initial purchasers of such securities.

ITEM 16. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) Exhibits

EXHIBIT NO. -----	DESCRIPTION OF EXHIBIT -----
*1.1	--Form of U.S. Underwriting Agreement.
*1.2	--Form of International Underwriting Agreement.
**2.1	--Asset Purchase and Merger Agreement among Crown Network Systems, Inc., Crown Mobile Systems, Inc., Robert A. Crown, Barbara Crown and Castle Acquisition Corp. I, Castle Acquisition Corp. II, Castle Tower Holding Corp. dated July 11, 1997.
**2.2	--First Amended and Restated Asset Purchase and Merger Agreement among Crown Network Systems, Inc., Crown Mobile Systems, Inc., Robert A. Crown, Barbara Crown and Castle Acquisition Corp. I, Castle Acquisition Corp. II, Castle Tower Holding Corp. dated July 11, 1997, as amended and restated on August 14, 1997.
**2.3	--Stock Purchase Agreement by and between Castle Tower Holding Corp., Bruce W. Neurohr, Charles H. Jones, Ronald J. Minnich, Ferdinand G. Neurohr and Terrel W. Pugh dated May 12, 1997 ("TEA Stock Purchase Agreement").
2.4	--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.
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 - +***10.34 --Agreement for the Provision of Digital Terrestrial Television
Distribution and Transmission Services between British Digital
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December 18, 1997.
 - 10.35 --Loan Amendment Agreement among Castle Transmission International,
Castle Transmission Services (Holdings) Ltd. and certain lenders
dated May 21, 1997.
 - 10.36 --Crown Castle International Corp. 1995 Stock Option Plan (Fourth
Restatement).

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- +***10.37 --Contract between British Telecommunications PLC and Castle Transmission International Inc. for the Provision of Digital Terrestrial Television Network Distribution Service dated May 13, 1998.
 - +***10.38 --Site Marketing Agreement dated June 25, 1998 between BellSouth Mobility Inc. and Crown Communication Inc.
 - 10.39 --Commitment Agreement between the British Broadcasting Corporation, Castle Tower Holding Corp., TeleDiffusion de France International S.A. and TeleDiffusion de France S.A.
 - 10.40 --Form of Amended and Restated Services Agreement between Castle Transmission International Limited and TeleDiffusion de France S.A.
 - 10.41 --Castle Transmission Services (Holdings) Ltd. All Employee Share Option Scheme dated as of January 23, 1998.
 - 10.42 --Rules of the Castle Transmission Services (Holdings) Ltd. Bonus Share Plan.
 - 10.43 --Form of Employee Benefit Trust between Castle Transmission Services (Holdings) Ltd. and Castle Transmission (Trustees) Limited.
 - 10.44 --Castle Transmission Services (Holdings) Ltd. Unapproved Share Option Scheme dated as January 23, 1998.
 - *10.45 --Amending Agreement between the British Broadcasting Corporation and Castle Transmission International Limited dated July 16, 1998.
 - 10.46 --Form of Rights Agreement.
 - 10.47 --Deed of Grant of Option between Castle Transmission Series (Holdings) Ltd. and George Reese dated January 23, 1998.
 - 10.48 --Deed of Grant of Option between Castle Transmission Services (Holdings) Ltd. and David Ivy dated January 23, 1998.
 - 10.49 --Deed of Grant of Option between Castle Transmission Services (Holdings) Ltd. and David Ivy dated April 23, 1998.
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 - 10.51 --Deed of Grant of Option between Castle Transmission Services (Holdings) Ltd. and Ted B Miller, Jr. dated January 23, 1998.
 - *10.52 --Memorandum Regarding Proposed Initial Public Offering and Certain Transitional Changes Affecting Management dated July 2, 1998, between Crown Castle International Corp. and Robert A. and Barbara A. Crown.
 - *10.53 --Services Agreement dated July 2, 1998, by and between Crown Castle International Corp. and Robert A. and Barbara A. Crown.
 - 11 --Computation of net loss per common share.
 - 21 --Subsidiaries of Crown Castle International Corp.
 - ***23.1 --Consent of KPMG Peat Marwick LLP.
 - **23.2 --Consent of Ernst & Young LLP.
 - *23.3 --Consent of Cravath, Swaine & Moore (included in Exhibit 5).
 - ***99.1 --Consent of Michel Azibert.
 - ***99.2 --Consent of Bruno Chetaille.
 - ***99.3 --Consent of William A. Murphy.

- -----
* To be filed by amendment.

** 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. 333-47873).

*** Previously filed.

+ Indicates that portions of the exhibit have been omitted pursuant to a request for confidential treatment and such portions have been filed with the Commission separately.

Schedule I--Condensed Financial Information of Registrant

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 Registration Statement.

ITEM 17. UNDERTAKINGS

Insofar as indemnification for liabilities arising under the Securities Act of 1933 (the "Securities Act") may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned Registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Houston, State of Texas, on this 28th day of July, 1998.

Crown Castle International Corp.,

/s/ Charles C. Green, III

By: _____

NAME: CHARLES C. GREEN, III
TITLE: EXECUTIVE VICE PRESIDENT
AND CHIEF FINANCIAL OFFICER

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on this 28th day of July, 1998.

SIGNATURE

TITLE

*

Chief Executive
Officer and Vice
Chairman of the
Board (Principal
Executive Officer)

TED B. MILLER, JR.

*

President and
Director

DAVID L. IVY

/s/ Charles C. Green, III

Executive Vice
President and Chief
Financial Officer
(Principal
Financial Officer)

CHARLES C. GREEN, III

*

Vice President,
Chief Accounting
Officer and
Corporate
Controller
(Principal
Accounting Officer)

WESLEY D. CUNNINGHAM

*

Chairman of the
Board

CARL FERENBACH

SIGNATURE

TITLE

*

Director

ROBERT A. CROWN

Director

GARTH H. GREIMANN

Director

*

RANDALL A. HACK

Director

*

DAVID C. HULL, JR.

Director

*

EDWARD C. HUTCHESON, JR.

Director

*

J. LANDIS MARTIN

Director

*

ROBERT F. MCKENZIE

Director

*

JEFFREY H. SCHUTZ

*By: /s/ Charles C. Green, III

CHARLES C. GREEN, III ATTORNEY-IN-
FACT

CROWN CASTLE INTERNATIONAL CORP.

SCHEDULE I--CONDENSED FINANCIAL INFORMATION OF REGISTRANT

BALANCE SHEET (UNCONSOLIDATED)

(IN THOUSANDS OF DOLLARS, EXCEPT SHARE AMOUNTS)

ASSETS	DECEMBER 31,	
	1996	1997
Current assets:		
Cash and cash equivalents.....	\$ 6,093	\$ 53,092
Receivables and other current assets.....	1,073	424
Advances to subsidiaries, net.....	388	2,611
Total current assets.....	7,554	56,127
Property and equipment, net of accumulated depreciation of \$0 and \$27 at December 31, 1996 and 1997, respectively.....	--	808
Investment in subsidiaries.....	5,766	232,229
Investments in affiliates.....	2,101	59,082
Deferred financing costs and other assets, net of accumulated amortization of \$0 and \$69 at December 31, 1996 and 1997, respectively.....	49	7,075
	\$15,470	\$355,321
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities:		
Accounts payable and other accrued liabilities.....	\$ 130	\$ 1,187
Total current liabilities.....	130	1,187
Long-term debt.....	--	151,593
Total liabilities.....	130	152,780
Redeemable preferred stock, \$.01 par value; 6,435,228 shares authorized:		
Senior Convertible Preferred Stock; shares issued: December 31, 1996--none and December 31, 1997--657,495 (stated at redemption value; aggregate liquidation value of \$0 and \$68,916, respectively).....	--	67,948
Series A Convertible Preferred Stock; shares issued: December 31, 1996--862,455 and December 31, 1997-- 1,383,333 (stated at redemption and aggregate liquidation value).....	5,175	8,300
Series B Convertible Preferred Stock; 864,568 shares issued (stated at redemption and aggregate liquidation value).....	10,375	10,375
Series C Convertible Preferred Stock; shares issued: December 31, 1996--none and December 31, 1997--3,529,832 (stated at redemption and aggregate liquidation value)...	--	74,126
Total redeemable preferred stock.....	15,550	160,749
Stockholders' equity (deficit):		
Common stock, \$.01 par value; 11,511,109 shares authorized:		
Class A Common Stock; shares issued: December 31, 1996-- 1,350,000 and December 31, 1997--1,041,565.....	3	2
Class B Common Stock; shares issued: December 31, 1996-- 1,488,330 and December 31, 1997--9,367,165	3	19
Additional paid-in capital.....	762	58,248
Cumulative foreign currency translation adjustment.....	--	562
Accumulated deficit.....	(978)	(17,039)
Total stockholders' equity (deficit)	(210)	41,792
	\$15,470	\$355,321
	=====	=====

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,		
	1995	1996	1997
	-----	-----	-----
Other revenues.....	\$ --	\$ --	\$ 329
Interest and other income.....	--	171	2,028
General and administrative expenses.....	--	--	(149)
Corporate development expenses.....	--	(1,249)	(3,867)
Depreciation and amortization.....	--	--	(27)
Interest expense and amortization of deferred financing costs.....	--	--	(4,594)
	-----	-----	-----
Loss before income taxes and equity in earnings (losses) of subsidiaries and unconsolidated affiliate.....	--	(1,078)	(6,280)
Credit (provision) for income taxes.....	--	49	(49)
Equity in earnings (losses) of subsidiaries.....	(21)	72	(4,475)
Equity in losses of unconsolidated affiliate.....	--	--	(1,138)
	-----	-----	-----
Net loss.....	(21)	(957)	(11,942)
Dividends on Senior Convertible Preferred Stock.....	--	--	(2,199)
	-----	-----	-----
Net loss after deduction of dividends on Senior Convertible Preferred Stock.....	\$(21)	\$ (957)	\$(14,141)
	====	=====	=====

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,		
	1995	1996	1997
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss.....	\$ (21)	\$ (957)	\$ (11,942)
Adjustments to reconcile net loss to net cash provided by (used for) operating activities:			
Equity in losses (earnings) of subsidiaries.....	21	(72)	4,475
Amortization of deferred financing costs and discount on long-term debt.....	--	--	1,652
Equity in losses of unconsolidated affiliate....	--	--	1,138
Depreciation and amortization.....	--	--	27
Decrease (increase) in receivables and other assets.....	--	(1,122)	551
Increase (decrease) in accounts payable and other accrued liabilities.....	--	130	(103)
Net cash provided by (used for) operating activities.....	--	(2,021)	(4,202)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investment in subsidiaries.....	(4,972)	--	(89,989)
Investments in affiliates.....	--	(2,101)	(59,487)
Net advances to subsidiaries.....	(100)	(288)	(2,223)
Capital expenditures.....	--	--	(835)
Net cash used for investing activities.....	(5,072)	(2,389)	(152,534)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issuance of long-term debt.....	--	--	150,010
Proceeds from issuance of capital stock.....	5,072	10,503	139,867
Principal payments on long-term debt.....	--	--	(78,102)
Incurrence of financing costs.....	--	--	(5,908)
Purchase of capital stock.....	--	--	(2,132)
Net cash provided by financing activities.....	5,072	10,503	203,735
NET INCREASE IN CASH AND CASH EQUIVALENTS.....	--	6,093	46,999
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR....	--	--	6,093
CASH AND CASH EQUIVALENTS AT END OF YEAR.....	\$ --	\$ 6,093	\$ 53,092
SUPPLEMENTARY SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:			
Issuance of long-term debt in connection with acquisitions.....	\$ --	\$ --	\$ 78,102
Issuance of Class B Common Stock in connection with acquisitions.....	--	--	57,189
Conversion of subsidiary's Convertible Secured Subordinated Notes to Series A Convertible Preferred Stock.....	743	--	3,657
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Interest paid.....	\$ --	\$ --	\$ 2,943
Income taxes paid.....	--	--	--

See notes to consolidated financial statements and accompanying notes.

SCHEDULE I--CONDENSED FINANCIAL INFORMATION OF REGISTRANT (CONTINUED)

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 Company's subsidiaries are limited in the amount of dividends which can be paid to the Company. The amount of such dividends is limited to (i) \$6,000,000 per year until October 31, 2002, and \$33,000,000 per year thereafter, and (ii) an amount to pay income taxes attributable to the Company's subsidiaries. The restricted net assets of the Company's subsidiaries totaled \$232,229,000 at December 31, 1997.

2. LONG-TERM DEBT

Long-term debt consists of the Company's 10 5/8% Senior Discount Notes due 2007.

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.

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+***10.32	--Transmission Agreement between the British Broadcasting Corporation and Castle Transmission Services Limited dated February 27, 1997.	
+***10.33	--Digital Terrestrial Television Transmission Agreement between the British Broadcasting Corporation and Castle Transmission International Ltd. dated February 10, 1998.	
+***10.34	--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.	
10.35	--Loan Amendment Agreement among Castle Transmission International Ltd., Castle Transmission Services (Holdings) Ltd. and certain lenders dated May 21, 1997.	
10.36	--Crown Castle International Corp. 1995 Stock Option Plan (Fourth Restatement).	
+***10.37	--Contract between British Telecommunications PLC and Castle Transmission International Ltd. for the Provision of Digital Terrestrial Television Network Distribution Service dated May 13, 1998.	
+***10.38	--Site Marketing Agreement dated June 25, 1998 between BellSouth Mobility Inc. and Crown Communication Inc.	
10.39	--Commitment Agreement between the British Broadcasting Corporation, Castle Tower Holding Corp., TeleDiffusion de France International S.A. and TeleDiffusion de France S.A.	
10.40	--Form of Amended and Restated Services Agreement between Castle Transmission International Limited and TeleDiffusion de France S.A.	
10.41	--Castle Transmission Services (Holdings) Ltd. All Employee Share Option Scheme dated as of January 23, 1998.	
10.42	--Rules of the Castle Transmission Services (Holdings) Ltd. Bonus Share Plan.	
10.43	--Form of Employee Benefit Trust between Castle Transmission Services (Holdings) Ltd. and Castle Transmission (Trustees) Limited.	
10.44	--Castle Transmission Services (Holdings) Ltd. Unapproved Share Option Scheme dated as January 23, 1998.	
*10.45	--Amending Agreement between the British Broadcasting Corporation and Castle Transmission International Limited dated July 16, 1998.	
10.46	--Form of Rights Agreement.	
10.47	--Deed of Grant of Option between Castle Transmission Series (Holdings) Ltd. and George Reese dated January 23, 1998.	

EXHIBIT NO.	DESCRIPTION	PAGE
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10.48	--Deed of Grant of Option between Castle Transmission Services (Holdings) Ltd. and David Ivy dated January 23, 1998.	
10.49	--Deed of Grant of Option between Castle Transmission Services (Holdings) Ltd. and David Ivy dated April 23, 1998.	
10.50	--Deed of Grant of Option between Castle Transmission Services (Holdings) Ltd. and Ted B. Miller, Jr. dated April 23, 1998.	
10.51	--Deed of Grant of Option between Castle Transmission Services (Holdings) Ltd. and Ted B. Miller, Jr. dated January 23, 1998.	
*10.52	--Memorandum Regarding Proposed Initial Public Offering and Certain Transitional Changes Affecting Management dated July 2, 1998, between Crown Castle International Corp. and Robert A. and Barbara A. Crown.	
*10.53	--Services Agreement dated July 2, 1998, by and between Crown Castle International Corp. and Robert A. and Barbara A. Crown.	
11	--Computation of net loss per common share.	
21	--Subsidiaries of Crown Castle International Corp.	
***23.1	--Consent of KPMG Peat Marwick LLP.	
***23.2	--Consent of Ernst & Young LLP.	
*23.3	--Consent of Cravath, Swaine & Moore (included in Exhibit 5).	
***99.1	--Consent of Michel Azibert.	
***99.2	--Consent of Bruno Chetaille.	
***99.3	--Consent of William A. Murphy.	

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* To be filed by amendment.

** 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).

*** Previously filed.

+ Indicates that portions of the exhibit have been omitted pursuant to a request for confidential treatment and such portions have been filed with the Commission separately.

SHARE EXCHANGE AGREEMENT (this "Agreement"), dated as of

April 24, 1998, among CASTLE TRANSMISSION SERVICES (HOLDINGS)
LTD, a company organized under the laws of England and Wales
("CTSH"), CROWN CASTLE INTERNATIONAL CORP. (formerly named Castle

Tower Holding Corp.), a Delaware corporation (the "Company"),

TELEDIFFUSION DE FRANCE INTERNATIONAL S.A. and a company
incorporated in France ("TDF"), DIGITAL FUTURE INVESTMENTS B.V.,

a wholly owned indirect subsidiary of TeleDiffusion de France
S.A., and a company organized under the laws of the Netherlands
("DFI (BV)"), and the SHAREHOLDERS of CTSH (other than the

Company, TDF and DFI (BV)) named in Schedule I hereto (the "CTSH

Shareholders").

W I T N E S S E T H :

WHEREAS the CTSH Shareholders and DFI (BV) desire to effect the
exchange of the respective number of CTSH Shares (as defined) set forth opposite
DFI (BV)'s name and each such CTSH Shareholder's name on Schedule I hereto for
shares of Common Stock (as defined) of the Company, in the case of each such
CTSH Shareholder, or shares of Class A Stock (as defined) of the Company, in the
case of DFI (BV) (collectively, the "Company Shares");

WHEREAS, in exchange for such CTSH Shares, the Company desires to
issue to the CTSH Shareholders and DFI (BV) Company Shares in accordance with
the terms of this Agreement (the "Exchange");

WHEREAS, subject to the terms of the Candover-Berkshire Agreement (as
defined), DFI (BV) is the beneficial owner of the beneficial ownership interest
held in the DFI (BV) Purchased Shares (as defined) by each of the other parties
to the Candover-Berkshire Agreement (other than the Company, TDF and CTSH)
immediately prior to their purchase by DFI (BV), DFI (BV) desires to effect the
exchange of such DFI (BV) Purchased Shares for Company Shares; and

WHEREAS, in exchange for such DFI (BV) Purchased Shares, the Company desires to issue to DFI (BV), Company Shares in accordance with the terms of this Agreement; and

WHEREAS, the parties intend that, for United States Federal income tax purposes, the Exchange qualify as a reorganization pursuant to Section 368(a)(1)(B) of the United States Internal Revenue Code of 1986, as amended (the "Code").

NOW, THEREFORE, in consideration of the promises and the respective agreements hereinafter set forth, the parties hereto agree as follows:

ARTICLE I

Definitions

SECTION 1.01. Certain Definitions.

"Affiliate" and "Associate", when used with reference to any person, shall have the respective meanings ascribed to such terms in Rule 12b-2 of the Exchange Act, as in effect on the date of this Agreement.

"Applicable Law" shall have the meaning given to such term in Section 5.03 hereof.

"Amended and Restated By-laws" shall mean the amended and restated by-laws of the Company in form and substance satisfactory to TDF and each CTSH Shareholder, which will take effect immediately prior to the Closing.

"Amended and Restated Charter" shall mean the amended and restated certificate of incorporation of the Company in form and substance satisfactory to TDF and each CTSH Shareholder, which will take effect immediately prior to the Closing.

"Balance Sheet" shall have the meaning given to such term in Section 6.09 hereof.

A person shall be deemed the "beneficial owner" of, and shall be deemed to "beneficially own", and shall be deemed to have "beneficial ownership" of:

(i) any securities that such person or any of such person's Affiliates or Associates is deemed to "beneficially own" within the meaning of Rule 13d-3

under the Exchange Act, as in effect on the date of this Agreement; and

(ii) any securities (the "underlying securities") that such person or

any of such person's Affiliates or Associates has the right to acquire (whether such right is exercisable immediately or only after the passage of time) pursuant to any agreement, arrangement or understanding (written or oral), or upon the exercise of conversion rights, exchange rights, rights, warrants or options, or otherwise (it being understood that such person shall also be deemed to be the beneficial owner of the securities convertible into or exchangeable for the underlying securities).

"By-laws" shall mean the By-laws of the Company as in effect on the

date hereof.

"Candover-Berkshire Agreement" shall mean the agreement dated April

24, 1998 among the Company, Berkshire Fund IV, LP, Berkshire Investors LLC, Berkshire Partners LLC, Candover Investments PLC, Candover (Trustees) Limited, Candover Partners Limited, Candover Partners Limited, Candover Partners Limited, Candover Partners Limited, TDF, DFI (BV) and CTSH, a copy of which is attached as Exhibit B to this Agreement.

"CCIC Group" shall mean the Company and each of its Subsidiaries

(other than CTSH and each of its Subsidiaries).

"Charter" shall mean the certificate of incorporation of the Company

as in effect on the date hereof.

"Class A Stock" shall mean the Company's Class A Stock, \$.01 par value

per share, as designated in the Amended and Restated Charter.

"Closing" shall have the meaning given to such term in Article IV

hereof.

"Closing Date" shall have the meaning given to such term in Article IV

hereof.

"Code" shall have the meaning set forth in the recitals hereof.

"Common Stock" shall mean shares of the Company's common stock, par

value \$.01 per share, as designated in the Amended and Restated Charter.

"Company's Knowledge" shall mean (and any similar reference herein to -----
the knowledge, awareness or belief of the Company shall be deemed to include an additional statement) that the Company knows, is aware of or believes such matter or circumstances, after having made all reasonable inquiries in the circumstances of the appropriate management of any member of the CCIC Group.

"Company SEC Documents" shall have the meaning given to such term in -----
Section 6.18.

"Company Shares" shall have the meaning set forth in the recitals to -----
this Agreement.

"Consent" shall mean any consent, approval, license, permit, order or -----
authorization of, or registration, declaration or filing with, any Governmental Entity.

"Converting Stockholder" shall mean each of Edward C. Hutcheson, Jr., -----
J. Landis Martin, Robert F. McKenzie, Centennial Fund IV, L.P., Centennial Fund V, Ted B. Miller, Jr., Centennial Entrepreneurs Fund V, L.P., Berkshire Fund III, A Limited Partnership, Berkshire Investors LLC, Berkshire Fund IV, Limited Partnership, Nassau Capital Partners II, L.P., NAS Partners I LLC, PNC Venture Corp. and Fay, Richwhite Communications Limited.

"CTI" shall mean Castle Transmission International Limited.

"CTSH Group" shall mean CTSH and its Subsidiaries.

"CTSH Non-Accredited Shareholders" shall mean Alan Rees, Nigel Turner, -----
John J. Ward, Martin Ellen, Angela M. Dennehy, Terence R. Wing, Robert G. Crutchley, Jonathan Davies, Michael J. Doran, D. Nichols Davies, Stanley J. Cooper and Patrick Michael Miller.

"CTSH Ordinary Shares" shall mean the ordinary shares of 1p each of -----
CTSH.

"CTSH Preference Shares" shall mean the redeemable preference shares -----
of 1p each of CTSH.

"CTSH Shareholders Agreement" shall mean the Shareholders Agreement to -----
be entered into among the Company, CTSH and TDF, an agreed form of which is attached as Exhibit D to this Agreement.

"CTSH Shares" shall mean the CTSH Ordinary Shares and CTSH Preference -----
Shares.

"CTSH Warrants" shall mean the warrants dated February 28, 1997,

entitling TDF to subscribe for 257,000 CTSH Ordinary Shares and 257,242,500 CTSH Preference Shares and the Company to subscribe for 515,000 CTSH Ordinary Shares and 514,485,000 CTSH Preference Shares.

"DFI (BV) Purchased Shares" shall mean the CTSH Shares subject to the

Candover-Berkshire Agreement.

"Environmental Laws" shall mean all applicable laws, regulations,

ordinances, orders, judgments or decrees, entered, promulgated or issued in final form by any Governmental Authority, relating to protection of the environment or exposure to, or the use, management, release or disposal of, Hazardous Materials.

"Exchange" shall have the meaning set forth in the recitals to this

Agreement.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as

amended, and the rules and regulations promulgated by the SEC thereunder, all as the same shall be in effect at the time.

"Exchange Ratio" shall mean in the case of each CTSH Shareholder, 1.4

shares of Common Stock, and in the case of DFI (BV) and TDF, 1.4 shares of Class A Stock, for 1 CTSH Ordinary Share, 1p per share, together with 999 CTSH Preference Shares, 1p per share, as adjusted pursuant to Section 1.02.

"Existing CCIC Agreements" shall mean the Original CCIC Stockholders

Agreement, the Charter, the By-laws, the CTSH Warrants, the Agreement dated February 2, 1998 between the Company, TEA and Bruce W. Neurohr relating to the redemption of all Company Shares held by Bruce W. Neurohr (including the shares gifted to The National Christian Charitable Foundation, Inc.) and the Indenture dated November 25, 1997 relating to the 10 5/8% Senior Discount Notes Due 2007.

"Existing CCIC Shares" shall mean all of the shares of capital stock

of the Company as of the date of this Agreement.

"Existing Class A Stock" shall mean the Company's Class A Stock, \$.01

par value per share, as designated in the Charter.

"Existing Class B Stock" shall mean the Company's Class B Stock, \$.01

 par value per share, as designated in the Charter.

"Existing CTSB Agreements" shall mean (a) the Shareholders' Agreement,

 dated January 23, 1997, among Berkshire Fund IV Investment Corp.; Berkshire
 Investors LLC; Berkshire Partners LLC; Candover Investments PLC; Candover
 (Trustees) Limited; Candover Partners Limited; Castle Tower Holding Corporation,
 TeleDiffusion de France International S.A.; and Diohold Limited; (b) the
 Subscription Agreement, dated January 23, 1997, among Ted B. Miller, Jr.; David
 L. Ivy; Berkshire Fund IV Investment Corp.; Berkshire Investors LLC; Candover
 Investments PLC; Candover (Trustees) Limited; Candover Partners Limited; Castle
 Tower Holding Corporation; and Diohold Limited; and (c) the Articles of
 Association of CTSB.

"Existing TDF Shares" shall mean the CTSB Shares beneficially owned by

 TDF as of the date of this Agreement.

"FAA" shall mean the United States Federal Aviation Administration.

"FCC" shall mean the United States Federal Communications Commission.

"FTC" shall mean the United States Federal Trade Commission.

"Financial Statements" shall have the meaning given to such term in

 Section 6.09.

"GAAP" shall mean U.S. generally accepted accounting principles as in

 effect on the date hereof.

"Governance Agreement" shall mean the Governance Agreement, to be

 entered into between the Company, TDF and DFI (BV) upon the Closing, an agreed
 form of which is attached as Exhibit C to this Agreement.

"Government Authority" shall mean the government of any sovereign

 nation or any political subdivision thereof, whether state or local, and any
 agency, authority, instrumentality, regulatory body, court, or other entity
 exercising executive, legislative, judicial, regulatory or administrative powers
 or functions of or pertaining to government.

"Governmental Entity" shall mean any Federal, state, local or foreign

 government or any court of competent

jurisdiction, administrative agency or commission or other governmental authority or instrumentality, domestic or foreign.

"Group" shall mean the Company and each of its Subsidiaries.

"Hazardous Materials" shall mean all explosive or radioactive

substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including asbestos or asbestos-containing materials, polychlorinated biphenyls, infectious or medical wastes, and all other substances or wastes regulated pursuant to Environmental Laws.

"HSR Act" shall mean the Hart-Scott-Rodino Antitrust Improvements Act

of 1976.

"Indebtedness" shall mean all obligations, without duplication,

(including without limitation hedging obligations), contingent and otherwise, which should, in accordance with GAAP consistently applied, be classified upon the obligor's consolidated balance sheet as liabilities, including, without limitation, liabilities secured by any mortgage on property owned or acquired subject to such mortgage, and also including, without limitation, (i) all guaranties, endorsements and other contingent obligations, in respect of Indebtedness of others, whether or not the same are or should be so reflected in said balance sheet, except guaranties by endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business, (ii) a preferred share which is mandatorily redeemable for cash or exchangeable for debt securities and (iii) the present value of any lease payments due under leases required to be capitalized in accordance with applicable Statements of Financial Accounting Standards, determined in accordance with applicable Statements of Financial Accounting Standards; provided that the foregoing shall not include any such obligations with respect

to trade payables under 90 days old.

"Intellectual Property" shall mean, with respect to any person, all of

its or any of its Subsidiaries' material patents (including all reissues, divisions, continuations and extensions thereof), patent applications, patent rights, trademarks, trademark registrations, trademark applications, servicemarks, tradenames, business names, brand names, copyrights, copyright registrations, designs, design registrations, and all rights to any of the foregoing.

"IPO" shall mean the firm commitment underwriting of an initial public

 offering of the Common Stock of the Company with a price per share of Common Stock of not less than an amount to be agreed between the Company, TDF and the CTSB Shareholders (as adjusted for any stock split, stock dividend, rights offering, recapitalization, reclassification, or other similar transaction) and gross proceeds of not less than an amount to be agreed between the Company and TDF which is registered under the Securities Act and which has been approved for listing prior to the Closing on the New York Stock Exchange, Inc., the American Stock Exchange, or Nasdaq NMS (subject in any such case to official notice of issuance).

"IPO Closing" shall mean the closing of the IPO pursuant to the

 Underwriting Agreement.

"IPO Documents" shall mean the IPO SEC Documents and the closing

 documents required to be delivered to the underwriters for the IPO pursuant to the Underwriting Agreement.

"IPO SEC Documents" shall have the meaning given to such term in

 Section 6.31.

"Judgment" shall have the meaning given to such term in Section 5.03

 hereof.

"Liens" shall have the meaning given to such term in Article II

 hereof.

"Material Adverse Effect" shall mean, with respect to any person, a

 material adverse effect on the business, financial condition or results of operations of such person or on the ability of such person to perform its obligations under this Agreement and the other Transaction Documents to which it is a party.

"Nextel Transaction" shall mean the right of the Company and its

 Subsidiaries to acquire and construct towers and ancillary facilities pursuant to the Site Commitment Agreement dated July 11, 1997 between Castle Tower Corporation (now merged into Crown Communication Inc.) and Nextel Communications, Inc., a Delaware corporation.

"Operating Agreement" shall mean the operating agreement to be entered

 into among the Company, CTI, CTSB and TeleDiffusion de France International S.A., in accordance with the letter agreement among such parties, a copy of which is attached as Exhibit E to this Agreement.

"Original CCIC Stockholders Agreement" shall mean the Amended and

Restated Stockholders Agreement, dated as of August 15, 1997, as amended on January 28, 1998, among the Company, Edward C. Hutcheson, Jr., Ted B. Miller, Jr., Robert A. Crown and Barbara A. Crown and certain other parties named therein.

"person" shall mean an individual, corporation, limited liability

company, partnership, joint venture, trust or unincorporated organization, or a government or any agency or political subdivision thereof and shall, as applicable, include any "group" (which shall have the meaning given to such term in Section 13(d)(3) of the Exchange Act).

"Required Consents" shall mean (a) any Consent required to be obtained

or made by or with respect to any person in connection with the consummation of the Exchange or the Transactions or with the execution, delivery and performance of any Transaction Document to which such person is a party, including but not limited to (i) compliance with and filings under the HSR Act, (ii) Consents from the FTC, (iii) Consents from the FAA and (b) consents from the FCC and the consents set forth in Schedule III to this Agreement.

"Rights" shall mean any rights issued or distributed to stockholders

of the Company pursuant to the Rights Plan or any successor thereto.

"Rights Plan" shall mean the Rights Agreement to be adopted by the

Company pursuant to Section 7.09, any rights plan adopted by the Company subsequent to the termination of the Rights Plan or the expiration, redemption or exchange of the Rights.

"SEC" shall mean the U.S. Securities and Exchange Commission.

"Securities Act" shall mean the Securities Act of 1933, as amended, or

any similar Federal statute, and the rules and regulations of the SEC thereunder, all as the same shall be in effect at the time.

"Senior Preferred Stock" shall mean the Company's Senior Convertible

Preferred Stock, par value \$.01 per share.

"Senior Preferred Warrants" shall mean the Class B Stock Warrants

granted in connection with the issuance of the Senior Preferred Stock.

"Series A Convertible Preferred Stock" shall mean the Company's Series

 A Convertible Preferred Stock the terms of which are set forth in the Series A
 Convertible Preferred Stock Certificate of Designations (the "Series A
 Certificate of Designations").

"Series B Convertible Preferred Stock" shall mean the Company's Series

 B Convertible Preferred Stock the terms of which are set forth in the Series B
 Convertible Preferred Stock Certificate of Designations (the "Series B
 Certificate of Designations").

"Series C Convertible Preferred Stock" shall mean the Company's Series

 C Convertible Preferred Stock the terms of which are set forth in the Series C
 Convertible Preferred Stock Certificate of Designations (the "Series C
 Certificate of Designations").

"Southpointe Transaction" shall mean the acquisition of the land and

 building located at 375 Southpointe Boulevard, Canonsburg, Pennsylvania, 15317
 by Crown Communication Inc. from Southpointe Corporate Centers, Ltd. for
 approximately \$5,300,000 plus unpaid rent in an amount not to exceed \$200,000.

"Stockholders Agreement" shall mean the Stockholders Agreement to be

 entered into among the Company and the parties named in Schedule I thereto, upon
 the Closing, an agreed form of which is attached as Exhibit A to this Agreement.

"Subsidiary" or "Subsidiaries" when used with respect to any person

 shall mean (i) any other person, whether incorporated or unincorporated, which
 is either required to be consolidated with such person under GAAP or (ii) is an
 affiliate directly controlled by such person, or indirectly through one or more
 intermediaries within the meaning of Rule 1.02(x) of Regulation S-X under the
 Exchange Act.

"Tax" (including with correlative meaning, "Taxes") shall mean all

 Federal, state, local, foreign and other government income, profits, franchise,
 gross receipts, customs duty, capital stock, severance, stamp, payroll, sales,
 employment, unemployment, disability, use, property, withholding, excise,
 production, value added, transfer, occupancy and other taxes, duties or
 assessments of any nature whatsoever, together with all interest, penalties and
 interest in respect of such penalties and additions.

"Tax Return" shall mean all returns, amended returns, and reports,

including elections, declarations, disclosures, schedules, estimates and information returns, required to be supplied to a Tax authority relating to Taxes.

"TDF Services Agreement" (as amended and restated) shall mean the

Services Agreement in a form reasonably satisfactory to TDF and the Company to be entered into between TDF and CTI upon the Closing.

"TDF Shares" shall mean the DFI (BV) Purchased Shares and the Existing

TDF Shares.

"Total Enterprise Value" shall have the meaning given to such term in

the Governance Agreement.

"Transaction Documents" shall mean this Agreement; the Stockholders

Agreement; the Governance Agreement; the Candover-Berkshire Agreement; the Operating Agreement; the TDF Services Agreement (as amended and restated); the CTSH Shareholders Agreement; the Amended Articles of Association of CTSH; the Amended and Restated By-laws; the Amended and Restated Charter; the Rights Plan and any other documents ancillary to the foregoing.

"Transactions" shall mean each of the transactions contemplated by the

Transaction Documents.

"Underwriting Agreement" means the firm commitment underwriting

agreement to be entered into by the Company and the underwriters in connection with the IPO.

"VISI Transaction" shall mean the right of the Company and its

Subsidiaries to acquire additional stock of Visual Intelligence Systems, Inc., a Texas corporation, upon the conversion of a Convertible Subordinated Note Due 2007 in the principal amount of \$1,970,000 plus certain other events as more specifically described in the Securities Purchase and Loan Agreement dated June 23, 1997 among Castle Tower Holdings Corp. (now Crown Castle International Corp.), Visual Intelligence Systems, Inc. and the Shareholders of Visual Intelligence Systems, Inc. named in Schedule I of such agreement.

SECTION 1.02. Adjustment of Exchange Ratio. In case the Company

shall at any time after the date hereof (i) pay a dividend or make a distribution on the Common Stock in shares of Common Stock or other capital stock of the Company, (ii) subdivide its outstanding shares of Common Stock into a greater number of shares, (iii) combine its

outstanding shares of Common Stock into a smaller number of shares or (iv) issue by reclassification of the Common Stock any shares of capital stock of the Company, the Exchange Ratio shall be adjusted so that the holder of any CTSH Shares thereafter surrendered for conversion pursuant to the Exchange Ratio shall be entitled to receive the number of shares of Common Stock or other capital stock of the Company which such holder would have owned or been entitled to receive immediately following such action had such shares been converted immediately prior thereto.

ARTICLE II

Transfer of CTSH Shares

On the Closing Date, and upon the terms and subject to the conditions set forth herein, DFI (BV) and each of the CTSH Shareholders agrees to transfer to the Company, free and clear of all liens, security interests, claims, charges and encumbrances of any kind ("Liens"), and the Company hereby agrees to accept

in exchange for the issuance of Company Shares on the basis set forth in Article III from DFI (BV) and each of the CTSH Shareholders, the number of CTSH Shares set forth opposite DFI (BV)'s and each such CTSH Shareholder's name on Schedule I hereto. Subject to the terms and conditions of this Agreement, DFI (BV) and each of the CTSH Shareholders will deliver to the Company on the Closing Date (in exchange for the Company Shares issuable pursuant to Article III) (i) duly executed transfers in respect of the CTSH Shares held by DFI (BV) and that CTSH Shareholder and the share certificate(s) in respect thereof and (ii) such other documents, including evidence of authority, as the Company may reasonably request. Any stamp duty payable in connection with the transfer or exchange of the CTSH Shares to the Company shall be paid by the Company.

ARTICLE III

Issuance of Company Shares

On the Closing Date, and upon the terms and subject to the conditions set forth herein, the Company will issue to DFI (BV) and each of the CTSH Shareholders a number of Company Shares equal to the product of (i) the Exchange Ratio and (ii) the corresponding number of CTSH Shares (e.g., per one CTSH

Ordinary Share and 999 CTSH Preference Shares) set forth opposite DFI (BV)'s and such CTSH Shareholder's name on Schedule I hereto (it being understood

that if such product requires a fractional share to be issued to DFI (BV) or any CTSB Shareholder, such fraction shall be rounded up to the nearest whole number), in exchange for the CTSB Shares to be delivered by DFI (BV) and such CTSB Shareholder to the Company pursuant to Article II. Subject to the terms and conditions of the Agreement, the Company will deliver to DFI (BV) and each of the CTSB Shareholders at Closing (in exchange for the CTSB Shares to be delivered by DFI (BV) and such CTSB Shareholders to the Company pursuant to Article II) (i) duly executed share certificates in respect of such Company Shares to be issued pursuant to this Article III (which Company Shares will be issued free and clear of all Liens) and (ii) such other documents, including evidence of authority, as DFI (BV) and such CTSB Shareholder may reasonably request. CTSB Shareholders who do not hold CTSB Ordinary Shares and CTSB Preference Shares in the ratio of 1 to 999 may combine their holdings for the purpose of transferring CTSB shares to the Company pursuant to Article II and shall receive from the Company in consideration therefor pursuant to this Article III an aggregate number of Company Shares determined as provided above, which shares shall be allocated between or among such CTSB Shareholders as they shall specify in a written direction signed by them and delivered to the Company.

ARTICLE IV

The Closing of the Exchange

Upon the terms and subject to the conditions herein set forth, the closing of the Exchange provided for herein (the "Closing") shall take place simultaneously with the IPO Closing at such place as shall be fixed by agreement among the parties hereto. The date and time of Closing are herein referred to as the "Closing Date".

ARTICLE V

Representations, Warranties and Covenants

of DFI (BV) and the CTSB Shareholders

Each of DFI (BV) and each CTSB Shareholder (and TDF, with respect to Sections 5.02 through 5.08 inclusive) represents and warrants as to itself to, and covenants as to

itself with, the Company and each of the other shareholders of CTSH as follows:

SECTION 5.01. Title to Shares. In the case of the DFI (BV) Purchased

Shares, DFI (BV) will, upon Closing, have the right to such beneficial ownership of the DFI (BV) Purchased Shares as was held in such shares by each of the other parties to the Candover-Berkshire Agreement (other than TDF, the Company and CTSH) immediately prior to their purchase by DFI (BV), set forth opposite its name on Schedule I hereto and will, upon the Closing, have the right to such good title to such DFI (BV) Purchased Shares, as was held in such shares by each of the other parties to the Candover-Berkshire Agreement (other than TDF, the Company and CTSH) immediately prior to their purchase by DFI (BV), free and clear of all Liens, and in the case of each of the CTSH Shareholders, it is the beneficial and registered owner of the CTSH Shares set forth opposite its name on Schedule I hereto and has good title to such CTSH Shares, free and clear of all Liens.

SECTION 5.02. Authority. It has full right, power and authority to

sell, transfer and deliver to the Company the full legal and beneficial ownership in the DFI (BV) Purchased Shares, subject as provided in Section 5.01, and the CTSH Shares, as the case may be, to be exchanged by it pursuant to this Agreement and to consummate the Transactions. This Agreement has been and each of the other Transaction Documents to which it is a party upon Closing will be, duly and validly executed and delivered by it and this Agreement is, and each of the other Transaction Documents to which it is a party upon the Closing will be, the legal, valid and binding obligation of it enforceable against it in accordance with its terms (except with respect to applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and other similar laws affecting creditors' rights generally from time to time in effect and to general principles of equity, including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing, regardless of whether considered in a proceeding in equity or at law). Except for the Required Consents, no action, consent or approval by, or filing with, any Federal, state, municipal, foreign or other court or governmental or administrative body or agency, or any other regulatory or self-regulatory body, is required in connection with the execution and delivery by it of this Agreement or the consummation by it of the Transactions.

SECTION 5.03. No Conflicts. Assuming the receipt of the Required

Consents, the execution, delivery and performance by it of this Agreement and each of the other

Transaction Documents to which it is a party do not, and compliance by it with the terms hereof and thereof and the consummation by it of the Exchange and the other Transactions will not, conflict with, or result in, any violation of or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination, cancelation or acceleration of any obligation or to loss of a material benefit under, or to increased, additional, accelerated or guaranteed rights or entitlements of any person under, or result in the creation of any Lien upon any of its properties or assets or any of its Subsidiaries under, any provision of (i) its charter, by-laws or the comparable charter or organizational documents of any Subsidiary, (ii) any material contract, lease, license, indenture, note, bond, agreement, permit, concession, franchise or other instrument to which it or any of its Subsidiaries is a party or by which any of their respective properties or assets is bound or (iii) subject to the filings and other matters referred to in Section 5.02, any judgment, order or decree ("Judgment") or statute, law (including common law), ordinance, rule or

 regulation ("Applicable Law") applicable to it or any of its Subsidiaries or

 their respective properties or assets other than, in the case of clauses (ii) and (iii) above, such items that, individually or in the aggregate, would not have a Material Adverse Effect on it and its Subsidiaries, taken as a whole.

SECTION 5.04. No Bankruptcy, etc. There has not been filed any

 petition or application, or any proceedings commenced which have not been discharged, by or against it with respect to any of its assets under any law, domestic or foreign, relating to bankruptcy, reorganization, compromise, arrangements, insolvency, readjustment of debt or creditor's rights, and no assignment has been made by it for the benefit of its creditors.

SECTION 5.05. Shareholders Agreements. Except for the Transaction

 Documents and the Existing CTSH Agreements, it is not a party to any voting trust agreements or any other contracts, agreements, arrangements, commitments, plans or understandings, written or oral, restricting or otherwise relating to voting or dividend rights with respect to the Existing TDF Shares owned by TDF or the CTSH Shares owned by the CTSH Shareholders or, in the case of the DFI (BV) Purchased Shares, to be owned by DFI (BV) on the Closing Date, or otherwise granting any person any right in respect of such Existing TDF Shares, DFI (BV) Purchased Shares or CTSH Shares, as the case may be.

SECTION 5.06. Litigation. There is no claim, action, suit,

 proceeding, arbitration, investigation or inquiry before any Federal, state, municipal, foreign or other court or governmental or administrative body or agency, any securities or commodities exchange, other regulatory body or any private arbitration tribunal now pending, or threatened, against or relating to it which would adversely affect its ability to consummate the Exchange and the other Transactions.

SECTION 5.07. Further Assurances. It will execute and deliver, or

 cause to be executed and delivered, such additional or further transfers, assignments, endorsements and other instruments as the Company, TDF, DFI (BV) or any CTSH Shareholder, as the case may be, may reasonably request for the purpose of effectively carrying out the Exchange and the other Transactions.

SECTION 5.08. Brokers and Finders. Except for fees for financial

 advice or other services rendered by Salomon Smith Barney to TDF in connection with the Exchange and the other Transactions (which fees shall be paid by TDF), neither it nor any of its respective officers, directors or employees has employed any broker or finder or incurred any liability for any brokerage fees, commissions or finder's fees in connection with the Transactions.

SECTION 5.09. Nature of Purchase. Except for any sales by DFI (BV)

 or any CTSH Shareholder pursuant to the Underwriting Agreement, it is exchanging its CTSH Shares for Company Shares for its own account for investment, not as a nominee or agent, and not with a view to the resale or distribution of the Company Shares or any part thereof, and it has no present intention of selling, granting any participation in, or otherwise distributing the same. It acknowledges and understands that the Company Shares may only be transferred or sold pursuant to a registration under the Securities Act and/or applicable state securities or blue sky laws or an available exemption from such registration.

SECTION 5.10. Accredited Investor. Except for the CTSH Non-

 Accredited Shareholders, it is an "accredited investor" within the meaning of Rule 501 under the Securities Act.

SECTION 5.11. No Funds Provided By TDF. The funding employed by DFI

 (BV) for the acquisition of the DFI (BV) Purchased Shares has been and will ultimately be provided by TeleDiffusion de France S.A.

SECTION 5.12. Certain Transfers. During the period from the Closing

 to the first anniversary of the Closing, DFI (BV) will not transfer, directly or indirectly, (i) the DFI (BV) Purchased Shares other than to the Company pursuant to the terms of this Agreement and (ii) the Class A Stock issued to DFI (BV) in exchange for such DFI (BV) Purchased Shares pursuant to the terms of this Agreement other than to (A) a person who is not an Affiliate of any member of the TDF Group or, (B) the Company pursuant to the terms of the Governance Agreement or (C) a direct or indirect shareholder of TeleDiffusion de France S.A.

ARTICLE VI

Representations, Warranties and

 Covenants of the Company

The Company represents and warrants to, and covenants with, TDF, DFI (BV) and each of the CTSH Shareholders as follows:

SECTION 6.01. Corporate Status of the Company. The Company is a

 corporation duly organized, validly existing and in good standing, under the laws of the State of Delaware and has all requisite corporate power to carry on its business as it is now being conducted and to own and operate such business.

SECTION 6.02. Validity of Company Shares. The Company Shares have

 been duly authorized, and, when the Company Shares have been delivered in accordance with this Agreement on the Closing Date, such Company Shares will have been validly issued, fully paid and nonassessable.

SECTION 6.03. Authority of the Company. The Company has full right,

 power and authority to issue and deliver to DFI (BV) and each of the CTSH Shareholders the Company Shares pursuant to this Agreement and to consummate the Transactions. This Agreement has been, and each of the other Transaction Documents to which it is a party upon Closing will be, duly and validly executed and delivered by the Company and this Agreement is, and each of the other Transaction Documents to which it is a party upon the Closing will be, the legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms (subject to applicable laws of public policy in the case of Section 10.17 and Section 4.06 of the Stockholders Agreement and to applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and other similar laws affecting creditors' rights generally

from time to time in effect and to general principles of equity, including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing, regardless of whether considered in a proceeding in equity or at law). Except for the Required Consents and for the approvals of the stockholders of CCIC pursuant to Sections 6.29 and 7.10, no action, consent or approval by, or filing with, any Federal, state, municipal, foreign or other court or governmental or administrative body or agency, or any other regulatory or self-regulatory body, or any other person is required in connection with the execution and delivery by the Company of this Agreement or the consummation by the Company of the Transactions.

SECTION 6.04. No Conflicts. The execution, delivery and performance

of this Agreement and each of the other Transaction Documents to which the Company is a party do not, and compliance with the terms hereof and thereof and the consummation of the Exchange and the other Transactions will not conflict with, or result in, any violation of or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination, cancelation or acceleration of any obligation or to loss of a benefit under, or to increased, additional, accelerated or guaranteed rights or entitlements of any person under, or result in the creation of any Lien upon any of its properties or assets or any of its Subsidiaries under, any provision of (i) its charter, by-laws or the comparable charter or organizational documents of any Subsidiary, (ii) any contract, lease, license, indenture, note, bond, agreement, permit, concession, franchise or other instrument to which it or any of its Subsidiaries is a party or by which any of their respective properties or assets is bound or (iii) subject to the filings and other matters referred to in Section 6.02, any Judgment or Applicable Law applicable to it or any of its Subsidiaries or their respective properties or assets other than, in the case of clauses (ii) and (iii) above, such items that, individually or in the aggregate, would not have a Material Adverse Effect on the CCIC Group, taken as a whole.

SECTION 6.05. No Bankruptcy, etc. There has not been filed any

petition or application, or any proceedings commenced which have not been discharged, by or against any member of the CCIC Group with respect to any of its assets under any law, domestic or foreign, relating to bankruptcy, reorganization, compromise, arrangements, insolvency, readjustment of debt or creditors rights (and the Company has not received any notice of any intention to make or commence any such filing or proceeding), and no assignment

has been made (or agreed to be made) by any member of the CCIC Group for the benefit of its creditors.

SECTION 6.06. Shareholders Agreements. Except for the Transaction

Documents, the Senior Preferred Stock, the Senior Preferred Warrants and the Existing CCIC Agreements, the Company is not a party to any voting trust agreements or any other contracts, agreements, arrangements, commitments, plans or understandings, written or oral, restricting or otherwise relating to voting or dividend rights with respect to the Company and to the Company's knowledge, there are no such other material agreements between any stockholders of the Company.

SECTION 6.07. Further Assurances. The Company will execute and

deliver, or cause to be executed and delivered, such additional or further transfers, assignments, endorsements and other instruments as any of TDF and the CTSB Shareholders may reasonably request for the purpose of effectively carrying out the Exchange and to perform the other Transactions.

SECTION 6.08. Offering of Shares. Neither the Company, directly or

indirectly, nor any agent on its behalf has offered or will offer the Company Shares or any similar securities or has solicited or will solicit an offer to acquire the Company Shares or any similar securities from any person so as to require registration of the issuance of the Company Shares to be delivered to DFI (BV) and each of the CTSB Shareholders under the circumstances contemplated by this Agreement under the provisions of Section 5 of the Securities Act.

SECTION 6.09. Financial Statements; Undisclosed Liabilities. (a) (i)

The audited combined balance sheet of the Company and its Subsidiaries as of December 31, 1997, together with the notes thereto (the "Balance Sheet"), and

the audited combined statements of income and cash flows of the Company and its Subsidiaries for the period ended December 31, 1997 and (ii) the audited combined balance sheets of the Company and its Subsidiaries as of December 31, 1997 and December 31, 1996, and the audited combined statements of income and cash flows of the Company and its Subsidiaries for the years ended December 31, 1997 and December 31, 1996, together with the notes to such financial statements (the financial statements described in clauses (i) and (ii) above, together with the notes to such financial statements, collectively, the "Financial

Statements") have been prepared in conformity with GAAP (except as described in the notes thereto) and on that basis fairly present, in all material respects (subject to the

foregoing exceptions and, in the case of the unaudited statements, to normal, recurring year-end audit adjustments), the combined financial condition and results of operations of the Company and its Subsidiaries as of the respective dates thereof and for the respective periods indicated and are true, correct and complete in all material respects.

(b) None of the Company and its Subsidiaries have any material liabilities or obligations of any nature (whether accrued, absolute, contingent, unasserted or otherwise) of a nature required by GAAP to be reflected on a consolidated balance sheet of the Company and its Subsidiaries or in the notes thereto except (i) as disclosed, reflected or reserved against in the Balance Sheet and the notes thereto, (ii) for liabilities and obligations incurred in the ordinary course of business consistent with past practice since the date of the Balance Sheet and not in violation of this Agreement and (iii) for Taxes.

SECTION 6.10. Taxes. Except to the extent that a failure to do so

would not result in a Material Adverse Effect on the CCIC Group, taken as a whole, the Company and each of its Subsidiaries has (i) timely filed or caused to be filed all Tax Returns required to be filed by the Company or any of its Subsidiaries (taking into account any extension of time within which to file) and (ii) paid or caused to be paid all Taxes with respect to taxable periods covered by such Tax Returns except Taxes that are being contested in good faith by appropriate proceedings and for which the Company or such Subsidiary, as applicable, has set aside on its books adequate reserves in accordance with GAAP.

SECTION 6.11. Intellectual Property. The Company and each of its

Subsidiaries own or have all rights to use its Intellectual Property as necessary in connection with the business of the Company and such Subsidiaries as presently conducted, except for such Intellectual Property the failure of which to own or have individually or in the aggregate is not reasonably likely to have a Material Adverse Effect on the CCIC Group, taken as a whole. To the Company's knowledge, none of the Intellectual Property used by the Company and its Subsidiaries, and no use thereof, infringes upon or violates any patent, copyright, trade secret or other proprietary right of any other person and, to the Company's knowledge, no claim with respect to any such infringement or violation is pending or threatened, except for any such infringement or violation which, individually or in the aggregate, has not had and is not

reasonably likely to have a Material Adverse Effect on the CCIC Group, taken as a whole.

SECTION 6.12. ERISA. (a) Each "employee pension benefit plan" (as

defined in Section 3(2) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"))(hereinafter a "Pension Plan"), "employee welfare benefit plan" (as defined in Section 3(1) of ERISA) (hereinafter a "Welfare Plan"), and

each other plan, arrangement or policy (written or oral) relating to stock options, stock purchases, compensation, deferred compensation, severance, fringe benefits or other employee benefits, in each case maintained or contributed to, or required to be maintained or contributed to, by the Company or its Subsidiaries or other affiliates for the benefit of any present or former employee, officer or director (each of the foregoing, a "Benefit Plan") has been

administered in all material respects in accordance with its terms. The Company and its Subsidiaries and all the Benefit Plans are in compliance with the applicable provisions of ERISA, the Internal Revenue Code of 1986, as amended (the "Code"), all other Applicable Laws and all applicable collective bargaining

agreements, except where the failure to comply would not be reasonably expected to result in a Material Adverse Effect on the CCIC Group, taken as a whole. The Company has delivered or made available to TDF, DFI (BV) and each of the CTSB Shareholders true, complete and correct copies of (i) each Benefit Plan (or, in the case of unwritten plans, descriptions thereof), (ii) the most recent annual report on Form 5500 (including all schedules and attachments thereto) filed with the Internal Revenue Service with respect to each Benefit Plan (if any such report was required), (iii) the most recent summary plan description for each Benefit Plan for which such a summary plan description is required by Applicable Law or was otherwise provided to plan participants or beneficiaries and (iv) each trust agreement and insurance or annuity contract or other funding or financing arrangement relating to any Benefit Plan.

(b) None of the Company or any other person or entity that, together with the Company, is or was treated as a single employer under Section 414 of the Code (each, including the Company, a "Commonly Controlled Entity") has

incurred any liability to a Pension Plan under Title IV of ERISA (other than for contributions not yet due) or to the Pension Benefit Guaranty Corporation (other than for payment of premiums not yet due) that, when aggregated with other such liabilities, could reasonably be expected to result in a Material Adverse Effect on the CCIC Group, taken as a whole, which liability has not been fully paid.

(c) No Commonly Controlled Entity is required to contribute to or has any liability with respect to any "multiemployer plan" (as defined in Section 4001(a)(3) of ERISA) or has withdrawn from any multiemployer plan where such withdrawal has resulted or could reasonably be expected to result in any "withdrawal liability" (within the meaning of Section 4201 of ERISA) that has not been fully paid and that could reasonably be expected to result in a Material Adverse Effect on the CCIC Group, taken as a whole.

(d) Neither the Company nor any of its Subsidiaries will be obligated to pay or provide any additional benefits or any acceleration of the time of payment or vesting of any benefits as a result of the Exchange and the other Transactions, other than relating to the vesting or CTSB options upon a change in control of CTSB in connection with the Exchange.

SECTION 6.13. Compliance with Applicable Laws. Except for any matter

that is not likely to have a Material Adverse Effect on the Company and its Subsidiaries taken as a whole, neither of the Company nor any of its Subsidiaries is in violation of, or has violated, any applicable provisions of any Applicable Law.

SECTION 6.14. Environmental Matters. Except as would not reasonably

be expected to have a Material Adverse Effect on the CCIC Group, taken as a whole, (a) the Company holds, and is in compliance with, all permits, licenses and authorizations from Government Authorities required for the Company to conduct its operations under applicable Environmental Laws; (b) the Company is in compliance with applicable Environmental Laws; (c) the Company has not received any written communication within the past three years from any Government Authority or any other person that alleges that the Company is in violation of applicable Environmental Laws or otherwise subject to liability in connection with applicable Environmental Laws; and (d) the Company has not entered into or agreed to any court order or decree and is not subject to any final judgment, order or decree relating to compliance with applicable Environmental Laws.

SECTION 6.15. Accuracy of Information. All information supplied in

writing by the Company or its agents to TDF, DFI (BV) and the CTSB Shareholders and to their respective agents is true and correct and not misleading, whether by way of omission, any failure to update or otherwise, in any material respect.

SECTION 6.16. Constitutional Documents, Books and Records. The

 Company has prior to the execution of this Agreement made available to TDF, DFI (BV) and each CTSB Shareholder, or their respective representatives, true and complete copies of (i) the charter and by-laws, each as amended to the date hereof, of the Company and (ii) the comparable governing instruments, each as amended to the date hereof, of each Subsidiary of the Company. The stock certificate and transfer books and the minute books of the Company and each of its Subsidiaries (which have been made available for inspection by TDF, DFI (BV) and each CTSB Shareholder, or their respective representatives) are true and complete.

SECTION 6.17. Title to Assets Other than Real Property Interests;

 Title to Real Property. (a) Each of the Company and its Subsidiaries has good -----
 and valid title to all assets necessary for the continued use and operation in the business of the Company and its Subsidiaries as presently conducted, except for imperfections of title or encumbrances, if any, which would not, individually or in the aggregate, have a Material Adverse Effect on the CCIC Group, taken as a whole.

(b) The Company and its Subsidiaries have (i) good and insurable fee title to all land owned in fee by the Company and its Subsidiaries and (ii) good and valid title to all leasehold estates in land leased as a tenant by the Company and its Subsidiaries, in each case, as necessary for the continued use and operation in the business of the Company and its Subsidiaries as presently conducted, except for easements, covenants, rights-of-way and other similar restrictions, encumbrances or imperfections of title, if any, which do not individually or in the aggregate, have a Material Adverse Effect on the CCIC Group, taken as a whole.

SECTION 6.18. SEC Filings. The Company has filed all required

 reports, schedules, forms, statements and other documents with the SEC (the "Company SEC Documents"), which Company SEC Documents comply in all material -----
 respects with the requirements of the Securities Act or the Exchange Act, as the case may be, and the applicable rules and regulations promulgated thereunder, including without limitation the registration statement on Form S-4 relating to 10 5/8% Senior Discount Notes Due 2007, which registration statement, at the time the registration statement became effective, did not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading.

SECTION 6.19. Working Capital. With respect to the existing bank and

 other facilities available to it, each of the Company and its Subsidiaries has sufficient working capital for the purposes of continuing to carry on its business as presently conducted for the foreseeable future and for the purposes of executing, carrying out and fulfilling in accordance with their terms all orders, projects and contractual obligations which have been placed with or undertaken by it.

SECTION 6.20. Anti-Competitive Arrangements. (a) None of the Company

 or its Subsidiaries is now, or has during the last six years been, a party to any agreement, arrangement, concerted practice or course of conduct which (i) infringes Article 85 or 86 of the Treaty establishing the European Community or any other competition, antitrust or similar legislation in any jurisdiction in which the Company carries on business or has assets or sales; or (ii) is void, unenforceable, in breach of or subject to registration (whether in whole or in part) or may render the Company liable to proceedings under any such legislation as is referred to in clause (i) above.

(b) None of the Company and its Subsidiaries has given any undertaking and no order has been made against or in relation to it pursuant to any competition, antitrust or similar legislation in any jurisdiction in which it carries on business or has assets or sales.

SECTION 6.21. Contracts. All agreements, contracts, leases,

 licenses, commitments or instruments of the Company or any of its Subsidiaries that have a material impact on the business and operations of the CCIC Group, taken as a whole (collectively, the "Contracts"), are valid, binding and in full

 force and effect and are enforceable by the Company or its Subsidiaries in accordance with their respective terms subject to, with respect to parties other than the Company or its Subsidiaries, applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other laws affecting creditors' rights generally, general principles of equity and the discretion of courts in granting equitable remedies. The Company and its Subsidiaries have performed all material obligations required to be performed by them to date under the Contracts and they are not (with or without the lapse of time or the giving of notice, or both) in breach or default in any material respect thereunder and no other party to any of the Contracts is (with or without the lapse of time or the giving of notice, or both) in breach or default in any material respect thereunder.

SECTION 6.22. Insurance. (a) The Company and its Subsidiaries

 maintain policies of fire and casualty, liability and other forms of insurance ("Insurance Policies") in such amounts, with such deductibles and against such

 risks and losses as are, in the Company's reasonable judgment, appropriate for the business and assets of the Company and its Subsidiaries. All such Insurance Policies are in full force and effect, all premiums due and payable thereon have been paid, and no notice of cancellation or termination has been received with respect to any such policy which has not been replaced on substantially similar terms prior to the date of such cancellation.

(b) There is no material default by the Company or any of its Subsidiaries or any other person, with respect to any provision contained in any such Insurance Policy, nor has there been any material failure by the Company or any of its Subsidiaries to give notice or to present any claim under any such policy in the manner or detail required by the policy. To the knowledge of the Company and its Subsidiaries, no event has occurred that would be reasonably likely to form the basis of a claim that would be covered by an Insurance Policy held by or on behalf of such party or its Subsidiaries that (i) has not been asserted, (ii) if asserted, would result in a diminution of the remaining available coverage under such policy and (iii) individually or in the aggregate, would have a Material Adverse Effect on the CCIC Group, taken as a whole.

SECTION 6.23. Employee and Labor Matters. (a) There is no labor

 strike, dispute, work stoppage or lockout pending, or, to the knowledge of the Company or its Subsidiaries, threatened, against or affecting the Company or its Subsidiaries; (b) no union organizational campaign is in progress with respect to the employees of the Company or its Subsidiaries and no question concerning representation exists respecting such employees; (c) none of the Company or its Subsidiaries is engaged in any unfair labor practice; (d) there is no unfair labor practice charge or complaint against the Company or any of its Subsidiaries pending, or, to the knowledge of the Company and its Subsidiaries, threatened, before the National Labor Relations Board; (e) there are no pending, or, to the knowledge of the Company or its Subsidiaries, threatened, union grievances against the Company or any of its Subsidiaries as to which there is a reasonable possibility of adverse determination and that, if so determined, individually or in the aggregate, would have a Material Adverse Effect on the CCIC Group, taken as a whole; (f) there are no pending, or, to the knowledge of the Company or its Subsidiaries, charges against the Company or any of its Subsidiaries or any

current or former employee of the Company or its Subsidiaries before the Equal Employment Opportunity Commission or any state or local agency responsible for the prevention of unlawful employment practices; (g) none of the Company or its Subsidiaries has received written notice since January 1, 1998 of the intent of any governmental entity responsible for the enforcement of labor or employment laws to conduct an investigation of or affecting the Company or any of its Subsidiaries and, to the knowledge of the Company and its Subsidiaries, no such investigation is in progress; and (h) each of the Company and its Subsidiaries is in material compliance with all Federal, state and local labor laws and regulations.

SECTION 6.24. Licenses; Permits. Each of the Company and its

 Subsidiaries has all material licenses, permits and authorizations required for the conduct of the business of the Company and its Subsidiaries under all Applicable Laws. All such licenses, permits and authorizations are validly held by the relevant Company or its Subsidiaries, the Company and its Subsidiaries have complied in all material respects with all terms and conditions thereof, and the same will not be subject to suspension, material modification, revocation or nonrenewal as a result of the execution and delivery of this Agreement, the other Transaction Documents or the consummation of the Transactions.

SECTION 6.25. Corporate Name. The Company and its Subsidiaries (i)

 have the right to use their respective names as the name of a corporation in any jurisdiction in which the Company or such Subsidiary does business and (ii) have not received any notice of conflict during the past two years with respect to the rights of others regarding the corporate names of the Company and its Subsidiaries; except as would not be reasonably likely to have a Material Adverse Effect on the CCIC Group, taken as a whole.

SECTION 6.26. Suppliers. Since the date of the Balance Sheet, none

 of the Company and its Subsidiaries has entered into or made any material contract or commitment for the purchase of merchandise other than in the ordinary course of business consistent with past practice. Since the date of the Balance Sheet, there has not been (a) any adverse effect in the business relationship of the Company or its Subsidiaries with any supplier of merchandise to the Company or its Subsidiaries or (b) any change in any material term (including credit terms) of the supply agreements or related arrangements with any such supplier; except in the case of clauses (a) and (b) above, as would

not be reasonably likely to have a Material Adverse Effect on the CCIC Group, taken as a whole.

SECTION 6.27. Customers. Since the date of the Balance Sheet, there

has not been (a) any adverse effect in the business relationship of the Company or its Subsidiaries with any customer of the Company or its Subsidiaries or (b) any change in any material term (including credit terms) of the sales agreements or related agreements with any such customer; except in the case of clauses (a) and (b) above, as would not be reasonably likely to have a Material Adverse Effect on the CCIC Group, taken as a whole.

SECTION 6.28. Absence of Certain Changes. Since the date of the

Balance Sheet and except as set forth in the Company SEC Documents, the Company and its Subsidiaries have conducted their business in the ordinary course consistent with past practice and there has not been:

(a) any event, occurrence or development of a state of circumstances or facts which has had or is reasonably likely to have, individually or in the aggregate, a Material Adverse Effect on the CCIC Group, taken as a whole, other than any of the foregoing (i) relating to the economy or securities markets in general, (ii) relating to the Company's industry in general or (iii) following the date of this Agreement, arising from the announcement or pendency of this Agreement, the Exchange or the other Transactions; or

(b) any damage, destruction or other casualty loss (whether or not covered by insurance) affecting the business or assets of the Company or any of its Subsidiaries which, individually or in the aggregate, has had or is reasonably likely to have a Material Adverse Effect on the CCIC Group, taken as a whole.

SECTION 6.29. Stockholder Approval. The Company has obtained the

approval of the stockholders of the Company of the Exchange, this Agreement, the Governance Agreement and the Stockholders Agreement in accordance with the Delaware General Corporation Law.

SECTION 6.30. Litigation. Except as set forth in the Company SEC

Documents, there is no action, claim, suit, investigation, proceeding or examination pending against or affecting, or to the knowledge of the Company, threatened or reasonably likely to be brought against or affecting, the Company or any Subsidiary of the Company or any of their respective properties before any court or arbitrator or any governmental body, agency, authority or

official which, individually or in the aggregate, has had or is reasonably likely to have a Material Adverse Effect on the CCIC Group, taken as a whole. The foregoing representation and warranty does not include or relate to any action, claim, suit, investigation, proceeding or examination arising after the date hereof (and not, to the Company's knowledge, threatened or reasonably likely to be brought against or affecting the Company or any Subsidiary of the Company or their respective properties, on or prior to the date hereof), to the extent that it challenges or seeks to prevent, enjoin, alter or delay the Exchange or any of the Transactions contemplated hereby, or threatens to do any of the foregoing.

SECTION 6.31. IPO SEC Documents. The registration statement on Form

S-1 to be filed by the Company with the SEC under the Securities Act, any post-effective amendment or amendments thereto, a related prospectus and all documents required by the SEC to be filed therewith (collectively, the "IPO SEC

Documents") as of their respective dates, or if amended, as of the date of the

last such amendment, will comply, in all material respects, with the requirements of the Securities Act or the Exchange Act, as the case may be, and the applicable rules and regulations promulgated thereunder, and the registration statement, at the time the registration statement becomes effective, will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, and the prospectus, at the issue date and at the Closing Date, will not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

SECTION 6.32. Company Stockholders. Schedule 6.32 to this Agreement

lists all of the Company's stockholders and their respective fully diluted beneficial ownership (after giving effect to the conversion or exercise of all outstanding preferred stock, options, warrants and other convertible securities) in the Company as at the date hereof (both immediately prior and after giving effect to the Exchange and related Transactions (except the IPO)) and the total authorized and issued securities of each class (including options, warrants and other securities convertible or exchangeable or otherwise issuable in respect of the Company's capital stock) in the capital of the Company and such Schedule 6.32 is true and correct in all respects. Except as otherwise expressly stated in or contemplated by Schedule 6.32 or in the Transaction

Documents or the underwriting agreement to be entered into by the Company in connection with the IPO, (a) no person has the right (whether exercisable now or in the future and whether contingent or not) to call for the allotment or issue or transfer of any share or other security or any loan capital of the CCIC Group under any option or other agreement (including conversion rights and right of pre-emption) or otherwise, (b) there is no commitment to give or create any of the foregoing rights and (c) no person has claimed to be entitled to any such rights.

SECTION 6.33. No Other Approvals. The approvals pursuant to Sections

6.29, 7.05 and 7.10 constitute, or when obtained, will constitute, all the necessary approvals of the stockholders of the CCIC Group of the Transactions and the Transaction Documents as required under the General Corporation Law of the State of Delaware.

SECTION 6.34. Brokers and Finders. Neither the Company nor any of

its respective officers, directors or employees has employed any broker or finder or incurred any liability for any brokerage fees, commissions or finder's fees in connection with the Exchange, the Transactions or the other Transaction Documents (other than pursuant to existing compensation agreements between the Company and certain of its officers, directors or employees).

SECTION 6.35. Management Accounts. The unaudited management accounts

of the Company for the period from January 1, 1998 to March 31, 1998 (a copy of which have been initialed for the purpose of identification by Cravath, Swaine & Moore and Allen & Overy) have been prepared on a basis substantially consistent with those employed in preparing the Financial Statements and, on that basis, to the Company's Knowledge fairly present, in all material respects (subject to any notes or exceptions thereto and to normal, recurring year-end audit adjustments) the financial condition and results of operations of the Company as of the respective dates thereof and for the respective periods indicated.

SECTION 6.36. Nature of Purchase. The Company is delivering Company

Shares in exchange for CTSH Shares for its own account for investment, not as a nominee or agent, and not with a view to the resale or distribution of the CTSH Shares or any part thereof, and it has no present intention of selling, granting any participation in, or otherwise distributing the same.

SECTION 6.37. Accredited Investor. The Company is an "accredited

 investor" within the meaning of Rule 501 under the Securities Act.

ARTICLE VII

Certain Covenants

SECTION 7.01. Conduct of Business by the Company. Except (i) for

 matters contemplated by the Transaction Documents and (ii) any transaction approved by a unanimous vote of the entire Board which would not, if the Governance Agreement were in effect at the time such vote is taken with respect to such transaction, be subject to TDF's Veto right pursuant to Section 4.01(b) of the Governance Agreement, from the date of this Agreement to the Closing Date the Company shall, and shall cause each of its Subsidiaries to, conduct its business in the usual, regular and ordinary course in substantially the same manner as previously conducted. In addition, and without limiting the generality of the foregoing, except for matters contemplated by the Transaction Documents, from the date of this Agreement to the Closing Date, the Company shall not, and shall not permit any of its Subsidiaries to, do any of the following without the prior written consent of TDF (which consent shall not be unreasonably withheld, delayed or conditioned):

(i) (A) except for dividends or distributions that may be declared, set aside, paid or made in accordance with the terms of the Senior Preferred Stock, declare, set aside or pay any dividends on, or make any other distributions in respect of, any of its capital stock, other than dividends and distributions by a direct or indirect wholly owned subsidiary of the Company to its parent, (B) split, combine or reclassify any of its capital stock or issue or authorize the issuance of any other securities in respect of, in lieu of or in substitution for shares of its capital stock, or (C) except with respect to the agreement dated as of February 2, 1998, between the Company and Bruce W. Neurohr, any redemption of the Senior Preferred Stock on or before August 31, 1998 or any exercise of the Senior Preferred Warrants, purchase, redeem or otherwise acquire any shares of capital stock of the Company or any of its Subsidiaries or any other securities thereof or any rights, warrants or options to acquire any such shares or other securities;

(ii) issue, deliver, sell or grant (A) any shares of its capital stock, (B) any other voting securities,

(C) any securities convertible into or exchangeable for, or any options, warrants or rights to acquire, any such shares, voting securities or convertible or exchangeable securities or (D) any "phantom" stock, "phantom" stock rights, stock appreciation rights or stock-based performance units, other than the issuance of Class B Stock upon (1) the exercise of Company compensatory stock options outstanding on the date of this Agreement and in accordance with their present terms, (2) conversion of, or in respect of dividends on, the Senior Preferred Stock or the exercise of Senior Preferred Warrants and (3) conversion of the Series A Convertible Preferred Stock, the Series B Convertible Preferred Stock and the Series C Convertible Preferred Stock;

(iii) amend its certificate of incorporation, by-laws or other comparable charter or organizational documents;

(iv) except for the Nextel Transaction, the VISI Transaction and the Southpointe Transaction, (i) acquire or agree to acquire (A) by merging or consolidating with, or by purchasing the whole or a substantial portion of the assets or securities of, or by any other manner, any business or any corporation, partnership, joint venture, association or other business organization or division thereof that is material to the CCIC Group, taken as a whole or (B) any assets that are material, individually or in the aggregate, to the CCIC Group, taken as a whole, or (C) any assets except purchases of assets that exceed in the aggregate 2% of the Total Enterprise Value of the CCIC Group, taken as a whole or (ii) incur any capital expenditures that exceed in each case in the aggregate 2% of the Total Enterprise Value of the CCIC Group, taken as a whole;

(v) sell, lease, license or otherwise dispose of or subject to any Lien any properties or assets that are material, individually or in the aggregate, to the CCIC Group, taken as a whole, except sales of inventory and excess or obsolete assets or leases or licenses of properties in the ordinary course of business consistent with past practice;

(vi) incur any Indebtedness or indemnity in respect of any Indebtedness of any person, issue or sell any debt securities or any options, warrants or other rights to acquire any debt securities of the Company or any of its Subsidiaries, guarantee or give any

indemnity in respect of any debt securities of any person, enter into any "keep well" or other agreement to maintain any financial statement condition of another person or enter into any arrangement having the economic effect of any of the foregoing, except for (A) short-term borrowings incurred in the ordinary course of business not to exceed U.S. \$500,000 in the aggregate and (B) any such incurrence, issuance, sale, guarantee or agreement under existing facilities (it being understood that with respect to the contemplated further amendment and restatement of the amended and restated credit facility with Key Corporate Capital Inc. and PNC Bank, TDF agrees not to unreasonably withhold its approval of such further amendment and restatement) which is not material to the CCIC Group, taken as a whole;

(vii) grant, issue or redeem any mortgage or other security interest other than in the ordinary course of business consistent with past practice;

(viii) make, or announce to any person any proposal to make, any change in the terms and conditions of appointment or employment of any of its directors, senior executives or employees or appoint or employ any person other than in the ordinary course of business consistent with past practice or terminate any senior executive (except for good cause);

(ix) permit any of its Insurance Policies to lapse or do anything which would make any Insurance Policy void or voidable;

(x) except for the VISI Transaction, enter into any transaction or arrangement with an Affiliate or Associate of the Company;

(xi) take any action which would require the written consent of TDF pursuant to Section 4.01(b) of the Governance Agreement;

(xii) authorize any of, or commit or agree, conditionally or otherwise, to take any of, the foregoing actions; or

(xiii) do or omit to do or cause or allow to be done or omitted to be done any act or thing which would result (or be reasonably likely to result) in a Material Adverse Effect on the CCIC Group, taken as a whole.

SECTION 7.02. Conduct of Business of CTSH. Except for matters

 contemplated by the Transaction Documents, from the date of this Agreement to the Closing Date CTSH shall, and shall cause each of its Subsidiaries to, conduct its business in accordance with the Existing CTSH Agreements.

SECTION 7.03. Consents. TDF, DFI (BV), CTSH, the CTSH Shareholders

 and the Company hereby consent to the Exchange and the other Transactions and agree to use all reasonable best efforts to take or cause to be taken all action, including without limitation, seeking to remove any legal prohibition to consummate and make effective the Exchange, the other Transactions and the Transaction Documents, and to do or cause to be done all things necessary, proper and advisable under Applicable Laws and regulations, including without limitation obtaining the Required Consents, to consummate and make effective the Exchange, the other Transactions and the Transaction Documents (in each case, with such additions, deletions or changes thereto or modifications thereof as the authorized officers of the respective parties executing the same shall approve (the execution thereof by such authorized officers to be conclusive evidence of such authorized officers' approval of any such additions, deletions, changes or modifications)).

SECTION 7.04. Consummation of the IPO. (a) Each of the Company,

 TDF, DFI (BV), CTSH and the CTSH Shareholders shall use all reasonable best efforts to the extent within the control of such party to take or cause to be taken all action and to do or cause to be done all things necessary, proper and advisable under Applicable Laws and regulations to consummate and make effective the IPO.

(b) The Company shall, upon reasonable prior notice or request to the Company, provide each of TDF, CTSH, the CTSH Shareholders and the stockholders of the Company with copies of drafts of the IPO Documents and the Company will consider in its reasonable discretion any comments on such drafts of the IPO Documents received from any of TDF, DFI (BV), CTSH, the CTSH Shareholders or the stockholders of the Company.

SECTION 7.05. Stockholder Approval. The Company shall, as soon as

 practicable after the date hereof, establish a record date for a meeting or action by written consent of the stockholders of the Company for the purpose of obtaining the approval of such stockholders of the Company of the Transactions and Transaction Documents other

than those Transactions and Transaction Documents for which approval was obtained pursuant to Section 6.29.

SECTION 7.06. Press Releases. Except as may be required by

 Applicable Law or court process, neither the Company nor TDF nor any of their respective Affiliates, to the extent practicable, will issue any press release or other public statements with respect to this Agreement, the Exchange or the other Transactions or Transaction Documents prior to consulting with the other party and providing such other party with the opportunity to review, comment upon and approve any such press release or other public statements.

SECTION 7.07. Access to Books and Records. Until Closing, the

 Company shall procure that DFI (BV), TDF, each CTSH Shareholder, its agents and representatives are given access, upon reasonable prior notice to the Company, to the properties and to the books and records of the CCIC Group and the Company shall provide such information regarding the business and affairs of the CCIC Group as DFI (BV), any CTSH Shareholder or TDF may reasonably request. Except as required by Applicable Law, DFI (BV), TDF and each CTSH Shareholder will hold, and will cause its officers, employees, accountants, counsel, financial advisors and other representatives and controlled affiliates to hold, in confidence any and all nonpublic information received from the Company or any of its Subsidiaries, directly or indirectly, and to use such information solely for purposes of effecting the Transactions contemplated by this Agreement and the other Transaction Documents.

SECTION 7.08. Delivery of Other Agreements. Subject to the relevant

 conditions in Article VIII and Article IX being satisfied, each party to this Agreement agrees to execute and deliver the Governance Agreement, the Stockholders Agreement and the other Transaction Documents listed in Schedule 7.08 at the Closing to the extent such party is a party to any such agreements.

SECTION 7.09. Amendment and Adoption of Company Documents. (a) The

 Company shall use reasonable best efforts to (i) cause its Charter and By-laws to be amended in accordance with the General Corporation Law of the State of Delaware, in form and substance satisfactory to TDF and each CTSH Shareholder, in order to permit the consummation of the Exchange and the other Transactions; provided, however, that the Senior Preferred Stock and Senior Preferred Warrants

 shall remain outstanding following the consummation of the Exchange and the IPO, and (ii) adopt a customary shareholder "poison pill" rights plan (the

"Rights Plan") in form and substance satisfactory to TDF and each CTSH

Shareholder.

(b) Within fourteen days following the date of this Agreement, the Company will cause to be submitted for approval to the Board of Directors of the Company and/or for adoption by the stockholders of the Company, as required under the General Corporation Law of the State of Delaware, the Amended and Restated Charter, the Amended and Restated By-laws and the Rights Plan.

SECTION 7.10. Senior Preferred Consent. The Company will use its

reasonable best efforts to obtain as soon as reasonably practicable all requisite consents (and any related amendment of the rights and preferences of the holders of the Senior Preferred Stock and the Senior Preferred Warrants set forth in the Charter) of the holders of the Senior Preferred Stock and the Senior Preferred Warrants necessary to consummate and make effective the Exchange, the other Transactions and the Transaction Documents without a breach or violation of the terms in the Charter relating to the Senior Preferred Stock, it being acknowledged that Senior Preferred Stock and Senior Preferred Warrants shall remain outstanding following the consummation of the Exchange and the IPO.

SECTION 7.11. Conversion of Options. To the extent any CTSH

Shareholder elects not to exercise any outstanding option to purchase CTSH Shares prior to the Closing, the Company will, subject to Applicable Law, cause any such CTSH Shareholders to exchange any and all options to purchase CTSH Shares for options to purchase Company Shares in accordance with the terms and conditions of the existing agreements among the Company, CTSH and such option holders.

SECTION 7.12. 80%/20% Ownership at CTSH. Each of the Company and TDF

agrees to use its reasonable best efforts to cause the Company to own, immediately after the Exchange, CTSH Shares possessing not more and not less than 80%, and TDF to own, immediately after the Exchange, CTSH Shares possessing not more and not less than 20%, of the total combined voting power of all classes of CTSH Shares entitled to vote and not more and not less than 80%, in the case of the Company, and not more and not less than 20%, in the case of TDF, of the total number of shares of all other classes of CTSH Shares immediately after the Exchange.

SECTION 7.13. Rights Plan. The Company shall take all action

necessary to execute the Rights Agreement

and to issue the Rights prior to the consummation of the IPO.

SECTION 7.14. Redemption of Senior Preferred Stock. The Company will

use its reasonable best efforts to redeem 50% of the outstanding Senior Preferred Stock prior to August 31, 1998 in accordance with the terms and conditions of the Charter; provided that the IPO has been consummated prior to August 1, 1998.

SECTION 7.15. Access to Corporate Information; Confidentiality. The

Company shall afford and cause each of its Subsidiaries to afford to TDF reasonable access prior to the termination of this Agreement to their respective corporate books and records (including without limitation copies of the minutes of the meetings of their respective boards of directors) and, without prejudice to TDF's right under the Existing CTSH Shareholders Agreement, TDF shall have the right to attend any meeting of the board of directors of the Company or any Subsidiary of the Company as an observer upon reasonable prior notice to the Corporate Secretary of each of the Company and any such Subsidiary. Except as required by Applicable Law, TDF will hold, and will use its reasonable best efforts to cause its officers, employees, accountants, counsel, financial advisors and other representatives and controlled affiliates to hold, in confidence any and all non-public information received from the Company or any of its Subsidiaries, directly or indirectly, and to use such information solely for purposes of effecting the transactions contemplated by this Agreement and the other Transaction Documents.

SECTION 7.16. Tax Characterization. The parties to this Agreement

agree to report the Exchange as a reorganization pursuant to Section 368(a)(1)(B) of the Code on all United States Federal, state and local income and franchise tax filings and reports (to the extent a party is otherwise required to file such a return or report) and, except if such inconsistent position is required by Applicable Law (as demonstrated by an opinion of outside United States legal counsel of recognized standing, which opinion is reasonably satisfactory to the Company and each of the Company's U.S. stockholders, or pursuant to a "determination" (within the meaning of Section 1313 of the Code)) will not take any position inconsistent with such characterization on any United States Federal, state or local tax filing or report or before any United States Federal, state or local taxing authority.

ARTICLE VIII

Conditions Precedent to Obligations

of the Company

Notwithstanding any other provisions of this Agreement, the obligation of the Company to consummate the transactions contemplated hereby shall be subject to the fulfillment, prior to or at the Closing, of each of the following conditions precedent, any of which may be waived by the Company:

SECTION 8.01. Accuracy of Representations and Warranties. The

representations and warranties of DFI (BV) and each of the CTSH Shareholders contained in this Agreement or in any certificate or other written instrument delivered to the Company or its counsel pursuant hereto or in connection with the Exchange and the other Transactions shall, when made and at and as of the date of the preliminary prospectus relating to the IPO, be true and correct in all material respects (provided that if the Closing shall not have occurred prior to six weeks following such date, at and as of the Closing, if following such six week period), except where the failure of such representations and warranties to be so true and correct (without giving effect to any limitation as to "materiality" or "Material Adverse Effect" set forth therein) is not reasonably likely to have, individually or in the aggregate, a Material Adverse Effect on DFI (BV) or such CTSH Shareholder. The Company shall have received certificates signed on behalf of each of DFI (BV) and each of the CTSH Shareholders by their respective chief executive officers and chief financial officers to such effect, which certificates shall be signed and acknowledged by each of the Company and each of the CTSH Shareholders.

SECTION 8.02. Performance by TDF, DFI (BV) and the CTSH Shareholders.

TDF, DFI (BV) and each of the CTSH Shareholders shall have duly performed and complied in all material respects with all terms, agreements and conditions required by this Agreement and the other Transaction Documents to be performed or complied with by them prior to or at the Closing.

SECTION 8.03. Corporate Proceedings. All corporate and other

proceedings of TDF, DFI (BV) and each of the CTSH Shareholders in connection with this Agreement and the other Transaction Documents, and all documents and instruments incident hereto, shall be reasonably satisfactory in substance and in form to the Company and its counsel, and the Company and its counsel shall have received

all such documents and instruments, or copies thereof, certified if requested, as they shall have reasonably requested.

SECTION 8.04. Legal Proceedings. Without prejudice to the provisions

of Section 7.04 above, no provision of any Applicable Law or regulation and no judgment, injunction, order or decree of a court of competent jurisdiction shall restrain, prohibit or invalidate the Company's entering into, or the performance by the Company of, the Exchange or the other Transactions or Transaction Documents.

SECTION 8.05. Consents and Approvals. Without prejudice to the

provisions of Section 7.04 above, all Required Consents and all other authorizations, approvals and waiting periods (if any) necessary in connection with the consummation by TDF, DFI (BV) and the CTSB Shareholders of the Exchange and the other Transactions shall have been obtained or satisfied, and any such Required Consents, authorizations and approvals shall be in form and substance reasonably satisfactory to the Company and its counsel.

SECTION 8.06. Completion of IPO. Each of the conditions to the

consummation of the IPO shall have been satisfied or waived, and the IPO Closing shall be consummated substantially simultaneously with the Closing of the Exchange.

SECTION 8.07. Conversion of Shares. Each of the Converting

Stockholders shall have converted its shares and other securities of the Company into shares of Common Stock.

SECTION 8.08. Stockholder Approval. The stockholders of the Company

shall have approved the Transactions and Transaction Documents in accordance with the Delaware General Corporation Law other than those Transactions and Transaction Documents for which approval was obtained pursuant to Section 6.29.

SECTION 8.09. Senior Preferred Consent. The Company shall have

obtained all consents of the holders of the Senior Preferred Stock and the Senior Preferred Warrants necessary to consummate and make effective the Exchange, the other Transactions and the Transaction Documents without a breach or violation of the terms of the Charter relating to the Senior Preferred Stock and the Senior Preferred Warrants.

ARTICLE IX

Conditions Precedent to Obligations

 of DFI (BV) and the CTSB Shareholders

Notwithstanding any other provision of this Agreement, the obligations of DFI (BV) and each of the CTSB Shareholders to consummate the transactions contemplated hereby shall be subject to the fulfillment, prior to or at the Closing, of each of the following conditions precedent, any of which may be waived by DFI (BV) and any of the CTSB Shareholders:

SECTION 9.01. Accuracy of Representations and Warranties. The

representations and warranties of the Company contained in this Agreement or in any certificate or written instrument delivered to DFI (BV) or any of the CTSB Shareholders or their counsel pursuant hereto or in connection with the Exchange or the other Transactions shall, when made and at and as of and by reference to the circumstances then existing at the date of the preliminary prospectus relating to the IPO, be true and correct in all material respects (provided that

 if the Closing shall not have occurred prior to six weeks following such date, at and as of the Closing, if following such six week period), except where the failure of such representations and warranties to be so true and correct (without giving effect to any limitation as to "materiality" or "Material Adverse Effect" set forth therein) is not reasonably likely to have, individually or in the aggregate, a Material Adverse Effect on the CCIC Group, taken as a whole. DFI (BV) and the CTSB Shareholders shall have received a certificate signed on behalf of the Company by its chief executive officer and chief financial officer to such effect, which certificate shall be signed and acknowledged by each of DFI and DFI (BV) and each of the CTSB Shareholders.

SECTION 9.02. Performance by the Company and the Stockholders of the

Company. Each of the Company, CTSB, CTI and the stockholders of the Company

shall have entered into the other Transaction Documents to which it is a party and duly performed and complied in all material respects with all terms, agreements and conditions required by this Agreement and the other Transaction Documents to be performed or complied with by the Company, CTSB, CTI or the stockholders of the Company prior to or at the Closing.

SECTION 9.03. Corporate Proceedings. All corporate and other

proceedings of the Company and, if applicable, the stockholders of the Company, in connection with this Agreement and the other Transaction Documents, and

all documents and instruments incident hereto, shall be reasonably satisfactory in substance and in form to DFI (BV) and each of the CTSH Shareholders and their respective counsel, and DFI (BV) and each of the CTSH Shareholders and their respective counsel shall have received all such documents and instruments, or copies thereof, certified if requested, as they shall have reasonably requested.

SECTION 9.04. Legal Proceedings. Without prejudice to the provisions

of Section 7.04 above, no provision of any Applicable Law or regulation and no judgment, injunction, order or decree of a court of competent jurisdiction shall restrain, prohibit or invalidate DFI (BV)'s or any of the CTSH Shareholder's entering into, or the performance by DFI (BV) or any of the CTSH Shareholders of, the Exchange or the other Transactions or the Transaction Documents.

SECTION 9.05. Consents and Approvals. Without prejudice to the

provisions of Section 7.04 above, all other Required Consents, authorizations, approvals and waiting periods (if any) necessary in connection with the consummation by the Company of the Exchange and the other Transactions, shall have been obtained or satisfied, and any such consents, authorizations and approvals shall be in form and substance reasonably satisfactory to TDF and each of the CTSH Shareholders and its counsel.

SECTION 9.06. Completion of IPO. Each of the conditions to the

consummation of the IPO shall have been satisfied or waived, and the IPO Closing shall be consummated substantially simultaneously with the Closing of the Exchange.

SECTION 9.07. Conversion of Shares. Each of the Converting

Stockholders shall have converted its shares and the other securities of the Company into shares of Common Stock.

SECTION 9.08. Stockholder Approval. The stockholders of the Company

shall have approved the Transactions and Transaction Documents in accordance with the Delaware General Corporation Law other than those Transactions and Transaction Documents for which approval was obtained pursuant to Section 6.29.

SECTION 9.09. Senior Preferred Consent. The Company shall have

obtained all consents of the holders of the Senior Preferred Stock and the Senior Preferred Warrants necessary to consummate and make effective the Exchange, the other Transactions and the Transaction Documents without a

breach or violation of the terms in the Charter relating to the Senior Preferred Stock and the Senior Preferred Warrants.

ARTICLE X
Miscellaneous

SECTION 10.01. Survival of Warranties. None of the covenants,

agreements, representations and warranties of the parties contained herein or in any certificate or other document delivered pursuant hereto or in connection herewith shall survive the Closing, other than the representations and warranties of the Company set forth in Section 6.03 and Section 6.31 and the indemnity set forth in Section 10.17, and the representations and warranties of DFI (BV), TDF and each of the CTSB Shareholders set forth in Section 5.02.

SECTION 10.02. Reasonable Efforts; Further Actions. The parties

hereto each will use all reasonable best efforts to take or cause to be taken all action and to do or cause to be done all things necessary, proper or advisable under Applicable Laws and regulations to consummate the IPO and to consummate and make effective the transactions contemplated by this Agreement and the other Transaction Documents.

SECTION 10.03. Consents. The parties hereto will cooperate with each

other in filing any necessary applications, reports or other documents with, giving any notices to, and seeking any Required Consents from, all regulatory bodies and all governmental agencies and authorities and all third parties as may be required in connection with the consummation of the Exchange and the other Transactions.

SECTION 10.04. Amendment and Waiver. This Agreement may not be

amended, supplemented or discharged, and no provision hereof may be modified or waived, except by the mutual agreement of the parties hereto. No waiver of any provision hereof by any party shall constitute a waiver thereof by any other party nor shall any such waiver constitute a continuing waiver of any matter by such party.

SECTION 10.05. Counterparts. This Agreement may be executed in one

or more counterparts, each of which shall be deemed an original but which together shall constitute but one instrument. It shall not be necessary for each

party to sign each counterpart so long as every party has signed at least one counterpart.

SECTION 10.06. Notices. All notices, requests, demands, waivers and

 other communications required or permitted to be given under this Agreement shall be in writing and may be given by any of the following methods: (a) personal delivery; (b) facsimile transmission; (c) registered or certified mail, postage prepaid, return receipt requested; or (d) overnight delivery service. Notices shall be sent to the appropriate party at its address or facsimile number given below (or at such other address or facsimile number for such party as shall be specified by notice given hereunder):

If to the Company: Crown Castle International Corp.
 510 Bering Drive, Suite 500
 Houston, TX 77057
 Fax: (713) 570-3150
 Attn: President

with a copy to: Cravath, Swaine & Moore
 Worldwide Plaza
 825 Eighth Avenue
 New York, NY 10019
 Fax: (212) 474-3700
 Attn: Stephen L. Burns, Esq.

If to TDF or DFI (BV): TeleDiffusion de France
 International S.A.
 10 rue d'Oradour-sur-Glane
 75732 Paris 15
 France
 Fax: 33 155 95 2066
 Attn: Michel Azibert

with a copy to: Allen & Overy
 One New Change
 London EC4M 9QQ
 Fax: 44 171 330 9999
 Attn: Michael P. Scargill, Esq.

If to CTSH: Castle Transmission Services
 (Holdings) Ltd.
 Warwick Technology Park
 Gallows Hill
 Heathcote Lane
 Warwick CV34 6TN
 Fax: 011 44 1926 416 466
 Attn: Managing Director

with a copy to: Norton Rose
Kempson House
Camomile Street
London EC3A 7AN
Fax: 44 171 283 6500
Attn: Alan Crookes

If to any CTSH
Shareholder: At the address of such CTSH
Shareholder listed on
Schedule I

All such notices, requests, demands, waivers and communications shall be deemed received upon (i) actual receipt thereof by the addressee, (ii) actual delivery thereof to the appropriate address or (iii) in the case of a facsimile transmission, upon transmission thereof by the sender and issuance by the transmitting machine of a confirmation slip that the number of pages constituting the notice have been transmitted without error. In the case of notices sent by facsimile transmission, the sender shall contemporaneously mail a copy of the notice to the addressee at the address provided for above. However, such mailing shall in no way alter the time at which the facsimile notice is deemed to be received or the validity of such facsimile notice.

SECTION 10.07. Binding Effect; Assignment. This Agreement and all of

the provisions hereof shall be binding upon and shall inure to the benefit of the parties and their respective successors and permitted assigns. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned, directly or indirectly, including, without limitation, by operation of law, by any party hereto without the prior written consent of the other parties hereto.

SECTION 10.08. Entire Agreement. This Agreement, the other

Transaction Documents and the schedules, exhibits and other documents and agreements referred to herein or therein or delivered pursuant hereto or thereto which form a part hereof or thereof constitute the entire agreement among the parties with respect to the subject matter hereof and supersede all other prior agreements and understandings, both written and oral, between the parties or any of them with respect to the subject matter hereof.

SECTION 10.09. No Third Party Beneficiaries. This Agreement shall be

binding upon and inure to the benefit of the parties to this Agreement and their respective successors and permitted assigns, and, except with respect to the rights of the stockholders of the Company under Section 10.10, nothing in this Agreement, express or implied, is intended to or shall confer upon any other person any rights, benefits, claims, liabilities, causes of action or remedies of any nature whatsoever under or by reason of this Agreement.

SECTION 10.10. Expenses. Each of the parties hereto shall pay its

own costs and expenses incurred in connection with this Agreement, the other Transaction Documents and the Transactions, irrespective of when incurred.

SECTION 10.11. Applicable Law and Jurisdiction; Service of Process.

(a) This Agreement shall be construed in accordance with and governed by the law of the State of New York; provided, however, that the terms and conditions

of this Agreement relating to the internal affairs of the Company shall be construed in accordance with and governed by the law of the State of Delaware.

(b) Each of the parties to this Agreement hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

(c) Each of the parties hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an

inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each of the parties to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 10.06. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 10.12. Waiver of Jury Trial. Each party hereto hereby

waives, to the fullest extent permitted by Applicable Law, any right it may have to a trial by jury in any legal proceeding directly or indirectly arising out of or relating to this Agreement or the transactions contemplated hereby or thereby (whether based on contract, tort or any other theory). Each party hereto (a) certifies that no representative, agent or attorney of any other party has represented, expressly or otherwise that such other party would not, in the event of litigation, seek to enforce the foregoing waiver and (b) acknowledges that it and the other parties hereto have been induced to enter into this agreement by, among other things, the mutual waivers and certifications in this Section.

SECTION 10.13. Article and Section Headings. The article, section

and other headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

SECTION 10.14. Termination. This Agreement may be terminated at any

time prior to the Closing by the mutual consent of the parties hereto and shall terminate if the Closing shall not have been consummated by October 31, 1998.

SECTION 10.15. Specific Enforcement. The parties hereto acknowledge

and agree that irreparable damage would occur in the event any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached for which money damages would not be an adequate remedy. It is accordingly agreed hereto that, so long as permitted by Applicable Law, the parties hereto shall be entitled to an injunction or injunctions to prevent breaches of the provisions of this Agreement and to enforce specifically the terms and provisions hereof without the necessity of proving the inadequacy of money damages as a remedy.

SECTION 10.16. Severability. Should any provision of this Agreement

for any reason be declared invalid or unenforceable, such decision shall not affect the

validity or enforceability of any of the other provisions of this Agreement, which remaining provisions shall remain in full force and effect and the application of such invalid or unenforceable provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall be valid and enforced to the fullest extent permitted by law.

SECTION 10.17. Indemnification. The Company agrees to indemnify and

hold harmless TDF and DFI (BV) against any and all losses, claims, damages or liabilities, joint or several, to which they or any of them may become subject under the Exchange Act or the Securities Act or other Federal or state statutory law or regulation, at common law or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise in connection with a registration statement filed, or a preliminary or final prospectus delivered, in connection with the IPO under Section 15 of the Securities Act and Section 20(a) of the Exchange Act and TDF or DFI (BV) being deemed a "controlling person" thereunder.

IN WITNESS WHEREOF, each party hereto has executed this Agreement as of the day and year first above written.

CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD,

by _____

Name:
Title:

CROWN CASTLE INTERNATIONAL CORP.,

by

Name:
Title:

BERKSHIRE INVESTORS, LLC,

by /s/ Carl Ferenbach

a Managing Member

DIGITAL FUTURE INVESTMENTS B.V.

By /s/ Michel Azibert

Name: Michel Azibert
Title: Managing Director

TELEDIFFUSION DE FRANCE
INTERNATIONAL S.A.,

by /s/ Michel Azibert

Name: Michel Azibert
Title: Chairman

CANDOVER INVESTMENTS PLC,

by /s/ G.D. Fairservice

Name: G.D. Fairservice
Title: Director

CANDOVER (TRUSTEES) LIMITED,

by /s/ G. D. Fairservice

Name: G. D. Fairservice
Title: Director

CANDOVER PARTNERS LIMITED (a
company incorporated in
England and Wales as general
partner of the Candover 1994
UK Limited Partnership),

by /s/ G. D. Fairservice

Name: G. D. Fairservice
Title: Director

CANDOVER PARTNERS LIMITED (a
company incorporated in
England and Wales as general
partner of the Candover 1994
UK No. 2 Limited
Partnership),

by /s/ G. D. Fairservice

Name: G.D. Fairservice
Title: Director

CANDOVER PARTNERS LIMITED (a
company incorporated in
England and Wales as general
partner of the Candover 1994
US No. 1 Limited
Partnership),

by /s/ G. D. Fairservice

Name: G. D. Fairservice
Title: Director

CANDOVER PARTNERSHIP LIMITED (a
company incorporated in
England and Wales as general
partner of the Candover 1994
UK No. 2 Limited
Partnership),

by /s/ G. D. Fairservice

Name: G. D. Fairservice
Title: Director

DAVID L. IVY,

by /s/ David L. Ivy

Name: David L. Ivy

CROWN CASTLE INTERNATIONAL CORP.,

by /s/ Ted B. Miller, Jr.

Name: Ted B. Miller, Jr.
Title: President

TED B. MILLER JR.,

by /s/ Ted B. Miller Jr.

Name: Ted B. Miller Jr.

THEODORE BECK MILLER, JR.,
trustee of the Theodore Beck
Miller, Jr. Castle
Transmission Trust,

by /s/ Ted B. Miller, Jr.

Name: Ted B. Miller, Jr.
Title: Trustee

HARRY DANAHER MILLER, trustee
of the Harry Danaher Miller
Castle Transmission Trust,

by /s/ Ted B. Miller, Jr.

Name: Ted B. Miller, Jr.
Title: Attorney-In-Fact

PATRICK MICHAEL MILLER,
trustee of the Patrick
Michael Miller Castle
Transmission Trust,

by /s/ Ted B. Miller, Jr.

Name: Ted B. Miller, Jr.
Title: Attorney-In-Fact

SCHEDULE I

CTSH SHAREHOLDERS

CTSH SHAREHOLDER -----	NUMBER OF CTSH SHARES/1/			Shares in CCIC ----- Post Conversion -----
	CTSH ----- Ordinary ----- Shares -----	CTSH Preference ----- Shares -----	Total CTSH Shares -----	
Digital Future Investments B.V. c/o TeleDiffusion de France International S.A. 10 Rue d'Oradour sur Glane 75732 Paris 15 France Fax: ###-##-#### Attn: Michel Azibert	1,620,000	1,618,380,000	1,620,000,000	2,268,000
Berkshire Fund IV, Limited Partnership One Boston Place, 33rd Floor Boston, MA 02108 Fax: (617) 227-6105 Attn: Carl Ferenbach/Garth H. Greimann	1,147,728	1,146,579,660	1,147,727,388	1,606,818

/1/ Number of CTSH Shares after adjustment for CTSH Shares acquired by
Digital Future Investments B.V. pursuant to the Candover-Bershire Agreement.

CTSH SHAREHOLDERS

CTSH SHAREHOLDER -----	NUMBER OF CTSH SHARES/1/			
	CTSH ----- Ordinary ----- Shares -----	CTSH Preference ----- Shares -----	Total CTSH Shares -----	Shares in CCIC ----- Post Conversion -----
Berkshire Investors LLC One Boston Place, 33rd Floor Boston, MA 02108 Fax: (617) 227-6105 Attn: Carl Ferenbach/Garth H. Greimann	114,772	114,657,840	114,772,612	160,682
Candover Group (total number ----- of shares) -----	1,618,600	1,616,981,400	1,618,600,000	2,266,040
Candover Investments, plc 20 Old Bailey London EC4M 7LN Fax: 011-44-171-248-5483 Attn: G. Douglas Fairservice	326,267	362,156,477	362,482,744	507,476
Candover (Trustees) Limited 20 Old Bailey London EC4M 7LN Fax: 011-44-171-248-5483 Attn: G. Douglas Fairservice	36,252	0	36,252	51
Candover Partners Limited (as general partner of the Candover 1994 UK Limited Partnership) 20 Old Bailey London EC4M 7LN Fax: 011-44-171-248-5483 Attn: G. Douglas Fairservice	657,258	656,600,288	657,257,546	920,161

/1/ number of CTSH Shares after adjustment for CTSH Shares acquired by Digital Future Investments B.V. pursuant to the Candover-Berkshire Agreement.

CTSH SHAREHOLDERS

CTSH SHAREHOLDER -----	NUMBER OF CTSH SHARES/1/			Shares in CCIC ----- Post Conversion -----
	CTSH ----- Ordinary ----- Shares -----	CTSH Preference ----- Shares -----	Total CTSH Shares -----	
Candover Partners Limited (as general partner of the Candover 1994 UK No. 2 Limited Partnership) 20 Old Bailey London EC4M 7LN Fax: 011-44-171-248-5483 Attn: G. Douglas Fairservice	178,116	177,937,877	178,115,993	249,362
Candover Partners Limited (as general partner of the Candover 1994 US No. 1 Limited Partnership) 20 Old Bailey London EC4M 7LN Fax: 011-44-171-248-5483 Attn: G. Douglas Fairservice	31,901	31,869,068	31,900,969	44,661
Candover Partners Limited (as general partner of the Candover 1994 US No. 2 Limited Partnership) 20 Old Bailey London EC4M 7LN Fax: 011-44-171-248-5483 Attn: G. Douglas Fairservice	388,806	388,417,690	388,806,496	544,329
George Reese Castle Transmission International LTD. Warwick Technology Park Heathcote Lane Warwick CV34 6TN UK Fax: (011-44-1926-416-441)	10,000	9,990,000	10,000,000	14,000

/1/ Number of CTSH Shares after adjustment for CTSH Shares acquired by
Digital Future Investments B.V. pursuant to the Candover-Berkshire Agreement.

CTSH SHAREHOLDERS

CTSH SHAREHOLDER -----	NUMBER OF CTSH SHARES/1/			
	CTSH ----- Ordinary ----- Shares -----	CTSH Preference ----- Shares -----	Total CTSH Shares -----	Shares in CCIC ----- Post Conversion -----
Ted B. Miller, Jr. 11722 Wood Lane Houston, TX 77024 Fax: (713) 570-3150	15,000	14,985,000	15,000,000	21,000
David L. Ivy 136E Club Drive Pittsburgh, PA 15236 Fax: (713) 570-3150	10,000	9,990,000	10,000,000	14,000
Alan Rees 327 Dunchurch Road Rugby Warwickshire CV22 6HT Fax: (011-44-1926-416-441)	10,000	9,990,000	10,000,000	14,000
Nigel L. Turner Icknield House Oversley Farm Wixford, Nr Alcester Warwickshire B49 6DD Fax: (011-44-1926-416-441)	5,000	4,995,000	5,000,000	7,000
John J. Ward 26 Saxon Close Stratford upon Avon Warwickshire CV37 7DX Fax: (011-44-1926-416-441)	5,000	4,995,000	5,000,000	7,000

/1/ Number of CTSH Shares after adjustment for CTSH Shares acquired by
Digital Future Investments B.V. pursuant to the Candover-Bershire Agreement.

CTSH SHAREHOLDERS

CTSH SHAREHOLDER -----	NUMBER OF CTSH SHARES/1/			Shares in CCIC ----- Post Conversion -----
	CTSH ----- Ordinary ----- Shares -----	CTSH Preference ----- Shares -----	Total CTSH Shares -----	
Martin Ellen 139 Clinton Lane Kenilworth Warwickshire CV8 1AY Fax: (011-44-1926-416-441)	5,000	4,995,000	5,000,000	7,000
Angela M. Dennehy "Holmwood" Leamington Road Broadway Worcestershire BR12 7EB Fax: (011-44-1926-416-441)	5,000	4,995,000	5,000,000	7,000
Terence R. Wing 12 Hathaway Drive Warwick Warwickshire CV34 5RD Fax: (011-44-1926-416-466)	5,000	4,995,000	5,000,000	7,000
Robert G. Crutchley 17 Sunnybank Road Sutton Coldfield Birmingham B73 5RE Fax: (011-44-1926-416-441)	4,000	3,996,000	4,000,000	5,600

/1/ Number of CTSH Shares after adjustment for CTSH Shares acquired by Digital Future Investments B.V. pursuant to the Candover-Bershire Agreement.

CTSH SHAREHOLDERS

CTSH SHAREHOLDER -----	NUMBER OF CTSH SHARES/1/			
	CTSH ----- Ordinary ----- Shares -----	CTSH Preference ----- Shares -----	Total CTSH Shares -----	Shares in CCIC ----- Post Conversion -----
Jonathan Davies 2 John Nash Square Kenilworth Warwickshire CV8 1RJ Fax: (011-44-1926-416-441)	4,000	3,996,000	4,000,000	5,600
Michael J. Doran 23 Clifton Road Halesowen West Midlands B62 9HB Fax: (011-44-1926-416-441)	4,000	3,996,000	4,000,000	5,600
D. Nicholas Davies 78 Maidenhead Road Stratford upon Avon Warwickshire CV37 6XU Fax: (011-44-1926-416-441)	4,000	3,996,000	4,000,000	5,600
Stanley J. Cooper 63 Windy Arbour Kenilworth Warwickshire CV8 2BB Fax: (011-44-1926-416-441)	4,000	3,996,000	4,000,000	5,600

/1/ Number of CTSH Shares after adjustment for CTSH Shares acquired by
Digital Future Investments B.V. pursuant to the Candover-Berkshire Agreement.

CTSH SHAREHOLDERS

CTSH SHAREHOLDER -----	NUMBER OF CTSH SHARES/1/			Shares in CCIC ----- Post Conversion -----
	CTSH ----- Ordinary ----- Shares -----	CTSH Preference ----- Shares -----	Total CTSH Shares -----	
Theodore Beck Miller, Jr., trustee of the Theodore Beck Miller, Jr. Castle Transmission Trust/2/ Crown Castle International Corp. 510 Bering, Suite 500 Houston, TX 77057 Fax: (713) 570-3150 Attn: Ted B. Miller, Jr.	4,996	4,991,004	4,996,000	6,994
Harry Danaher Miller, trustee of the Harry Danaher Miller Castle Transmission Trust/2/ Crown Castle International Corp. 510 Bering, Suite 500 Houston, TX 77057 Fax: (713) 570-3150 Attn: Ted B. Miller, Jr.	3,333	3,329,667	3,333,000	4,666

/2/Ted B. Miller, Jr. votes the shares of CTSH stock beneficially held by the Theodore Beck Miller, Jr. Castle Transmission Trust, the Harry Danaher Miller Castle Transmission Trust and the Patrick Michael Miller Castle Transmission Trust. The trust hold the beneficial interest in the CTSH stock as indicated but legal title is in the name of trust account established by Ted B. Miller, Jr.'s father. Legal title is in the process of being transferred.

CTSH SHAREHOLDERS

CTSH SHAREHOLDER -----	NUMBER OF CTSH SHARES/1/			
	CTSH ----- Ordinary ----- Shares -----	CTSH Preference ----- Shares -----	Total CTSH Shares -----	Shares in CCIC ----- Post Conversion -----
Patrick Michael Miller trustee of the Patrick Michael Miller Castle Transmission Trust/2/ Crown Castle International Corp. 510 Bering, Suite 500 Houston, TX 77057 Fax: (713) 570-3150 Attn: Ted B. Miller, Jr.	1,671	1,669,329	1,671,000	2,340
===== Total	===== 4,601,100	===== 4,596,498,900	===== 4,601,100,000	===== 6,441,540

/2/ Ted B. Miller, Jr. votes the shares of CTSH stock beneficially held by the Theodore Beck Miller, Jr. Castle Transmission Trust, the Harry Danaher Miller Castle Transmission Trust and the Patrick Michael Miller Castle Transmission Trust. The trust hold the beneficial interest in the CTSH stock as indicated but legal title is in the name of the trust account established by Ted B. Miller, Jr.'s father. Legal title is in the process of being transferred.

SCHEDULE III

REQUIRED CONSENTS

1. The delivery of all notices required by law or regulation in relation to the Transactions and the expiration of all waiting or notice periods in relation to such notices;
2. The receipt of all governmental and other regulatory consents or notifications required in relation to the Transactions;
3. The prior written consent of the BBC to the extent required in relation to the transaction under Analogue Transmission Contract, the Digital Transmission Contract, the Commitment Agreement (each of the foregoing as defined in the Governance Agreement) and any other agreement containing substantially similar restrictions and any agreement amending or replacing the same; and
4. The receipt of any consent required under the Finance Documents as defined in the CTSB Shareholders Agreement in relation to the transaction or any agreement (whether or not with the same banks) amending, replacing or refinancing (in whole or in part) the same or any other agreement providing finance to the CTSB Group.

RESTATED CERTIFICATE OF INCORPORATION

OF

CROWN CASTLE INTERNATIONAL CORP.

The present name of the corporation is Crown Castle International Corp. The corporation was incorporated under the name "Castle Tower Holding Corp." by the filing of its original Certificate of Incorporation with the Secretary of State of the State of Delaware. This Restated Certificate of Incorporation of the corporation, which both restates and further amends the provisions of the corporation's Certificate of Incorporation, was duly adopted in accordance with the provisions of Sections 228, 242 and 245 of the General Corporation Law of the State of Delaware. The Certificate of Incorporation of the corporation is hereby amended and restated to read in its entirety as follows:

ARTICLE I

Name

The name of the corporation (which is hereinafter referred to as the "Corporation") is:

Crown Castle International Corp.

ARTICLE II

Address

The address of the Corporation's registered office in the State of Delaware is Corporation Trust Center, 1209 Orange Street in the City of Wilmington, County of New Castle. The name of the Corporation's registered agent at such address is The Corporation Trust Company.

ARTICLE III

Purpose

The purpose of the Corporation shall be to engage in any lawful act or activity for which corporations may be organized and incorporated under the General Corporation Law of the State of Delaware.

ARTICLE IV

Capitalization

The total number of shares of stock which the Corporation shall have authority to issue is [] ([]), consisting of [] ([]) shares of Preferred Stock, par value \$0.01 per share (hereinafter referred to as "Preferred Stock"), [] ([]) shares of Common Stock, par value \$0.01 per share (hereinafter referred to as "Common Stock") and [] ([]) shares of Class A Common Stock, par value \$0.01 per share (hereinafter referred to as "Class A Common Stock").

The Corporation shall be entitled to treat the person in whose name any share of its stock is registered as the owner thereof for all purposes and shall not be bound to recognize any equitable or other claim to, or interest in, such share on the part of any other person, whether or not the Corporation shall have notice thereof, except as expressly provided by applicable law.

A. Undesignated Preferred Stock. The undesignated Preferred Stock

may be issued from time to time in one or more series. The Board of Directors is hereby authorized to provide for the issuance of shares of Preferred Stock in series and, by filing a certificate pursuant to the applicable law of the State of Delaware (hereinafter referred to as a "Preferred Stock Designation"), to establish from time to time the number of shares to be included in each such series, and to fix the designation, powers, preferences and rights of the shares of each such series and the qualifications, limitations and restrictions thereof. The authority of the Board of Directors with respect to each series shall include, but not be limited to, determination of the following:

1. The designation of the series, which may be by distinguishing number, letter or title.
2. The number of shares of the series, which number the Board of Directors may thereafter (except where otherwise provided in the Preferred Stock Designation) increase or decrease (but not below the number of shares thereof then outstanding).
3. The amounts payable on, and the preferences, if any, of shares of the series in respect of dividends, and whether such dividends, if any, shall be cumulative or noncumulative.

4. Dates at which dividends, if any, shall be payable.

5. The redemption rights and price or prices, if any, for shares of the series.

6. The terms and amount of any sinking fund provided for the purchase or redemption of shares of the series.

7. The amounts payable on, and the preferences, if any, of shares of the series in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

8. Whether the shares of the series shall be convertible into or exchangeable for shares of any other class or series, or any other security, of the Corporation or any other corporation, and, if so, the specification of such other class or series or such other security, the conversion or exchange price or prices or rate or rates, any adjustments thereof, the date or dates at which such shares shall be convertible or exchangeable and all other terms and conditions upon which such conversion or exchange may be made.

9. Restrictions on the issuance of shares of the same series or of any other class or series.

10. The voting rights, if any, of the holders of shares of the series.

B. Common Stock. The holders of shares of Common Stock shall be

entitled to one vote for each such share upon all questions presented to the stockholders. The holders of the shares of Common Stock shall at all times, except as otherwise provided in this Restated Certificate of Incorporation or as required by law, vote together with the holders of any other class or series of stock of the Corporation accorded such general voting rights, as one class.

C. Class A Common Stock.

1. General. The holders of shares of Class A Common Stock shall be

entitled to one vote for each such share upon all questions presented to the stockholders, except with respect to the election of Directors by the Stockholders; provided, however, that the holders of shares of Class A Common Stock shall have the right to vote on Directors as set forth in Section C.2 of this Article IV.

The holders of the shares of Class A Common Stock shall at all times, except as otherwise provided in this Restated Certificate of Incorporation (including the immediately preceding sentence) or as required by applicable law, (i) vote, together with the holders of shares of Common Stock and any other class or series of stock of the Corporation accorded such general voting rights, as a single class and (ii) receive any dividends or distributions declared or paid on the Common Stock in equal amounts per share and without preference or priority of either the Common Stock or the Class A Common Stock over the other. Shares of Class A Common Stock may only be issued by the Corporation to members of the TDF Group (as hereinafter defined) or to any other person with the approval of the holders of a majority of the Class A Common Stock outstanding, in each case in accordance with Section 7.08 of the Governance Agreement (hereinafter as defined in Section C.7 of this Article IV).

2. Election of Directors.

(a) General Right of Election. So long as TDF (as hereinafter

defined) is Qualified (as such term is defined in the Governance Agreement), holders of shares of Class A Common Stock voting as a separate class shall have the right to elect two Directors (the "Class A Directors") to the Board of Directors of the Corporation; provided, however, that if

TDF is not Qualified, so long as the Ownership Interest (as such term is defined in the Governance Agreement) of the TDF Group is at least 5%, holders of Class A Common Stock voting as a separate class shall have the right to elect one Director to the Board of Directors of the Corporation.

(b) Mandatory Termination and Replacement. Each Class A Director

shall serve until the next annual meeting of the stockholders and until such Director's successor has been elected and qualified, subject to such Director's earlier death, resignation, removal or retirement. Upon (i) the number of Directors the holders of the Class A Common Stock are entitled to elect being reduced from two to one Director as a result of TDF no longer being Qualified, the term of office of one Class A Director then in office shall terminate forthwith; provided, however, that the selection of which

Class A Director's term of office shall terminate shall be at the discretion of a majority of holders of Class A Common Stock, and (ii) the conversion of all outstanding shares of Class A Common Stock pursuant to Section C.4 of this

Article IV, the term of office of all Class A Directors then in office shall thereupon terminate. The vacancies resulting from any such termination pursuant to the preceding clauses (i) or (ii) shall be filled by the remaining Directors then in office acting by majority vote of such remaining Directors, though less than a quorum. The Directors so elected to fill such vacancies shall not be treated hereunder or under the By-laws of the Corporation as Class A Directors.

(c) Replacement. Subject to Section C.2(b) of this Article IV, in

the case of any vacancy occurring among the Class A Directors, the holders of Class A Common Stock then outstanding, voting separately as a class may, either by written consent or at a special meeting of such holders called in accordance with the By-laws of the Corporation, elect successors to hold office for the unexpired term(s) of the Director(s) whose place(s) shall be vacant.

(d) Except as set forth in this Section C.2 of this Article IV, the holders of Class A Common Stock shall not be entitled to vote in respect of the election of Directors of the Corporation.

3. Certain Significant Actions. Subject to the terms and conditions

of the Governance Agreement, the Corporation shall not take any Significant Action (as such term is defined in the Governance Agreement) without the approval of the holders of a majority of the Class A Common Stock then outstanding, voting separately as a single class, either by written consent or at a special meeting of such holders called in accordance with the By-laws of the Corporation.

4. Conversion of Class A Common Stock.

(a) Voluntary Conversion. Each share of Class A Common Stock shall

be convertible, at the option of its record holder, into one validly issued fully paid and non-assessable share of Common Stock at any time.

(b) Voluntary Conversion Procedure. At the time of a voluntary

conversion, the record holder of shares of Class A Common Stock shall deliver to the principal office of the Corporation or any transfer agent for shares of Common Stock (i) the certificate or certificates representing the shares of Class A Common Stock to be converted, duly endorsed in blank or accompanied by proper instruments of transfer and (ii) written notice to the Corporation stating that the

record holder elects to convert such share or shares and stating the name or names (with addresses) and denominations in which the certificate or certificates representing the shares of Common Stock issuable upon the conversion are to be issued and including instructions for the delivery thereof. Conversion shall be deemed to have been effected at the time when delivery is made to the Corporation or its transfer agent of such written notice and the certificate or certificates representing the shares of Class A Common Stock to be converted, and as of such time each Person named in such written notice as the Person to whom a certificate representing shares of Common Stock is to be issued, shall be deemed to be the holder of record of the number of shares of Common Stock to be evidenced by that certificate. Upon such delivery, the Corporation or its transfer agent shall promptly issue and deliver at the stated address of such record holder of shares of Common Stock a certificate or certificates representing the number of shares of Common Stock to which such record holder is entitled by reason of such conversion, and shall cause such shares of Common Stock to be registered in the name of the record holder.

(c) Automatic Conversion. (i) Subject to paragraph (iii) below, in -----
the event of any Transfer (as hereinafter defined) of any share of Class A Common Stock to any Person other than an Affiliate (as hereinafter defined) of the TDF Group in accordance with Section 7.08 of the Governance Agreement, such share of Class A Common Stock shall automatically, without any further action, convert into one share of Common Stock.

(ii) Each share of Class A Common Stock shall automatically convert into one share of Common Stock on the first date on which the Ownership Interest of the TDF Group is less than 5%.

(iii) Notwithstanding anything to the contrary set forth in this Section C of Article IV, a holder of shares of Class A Common Stock may pledge such holder's shares of Class A Common Stock to a financial institution pursuant to a bona fide pledge of such shares of Class A Common Stock as collateral security for any indebtedness or other obligation of any Person (the "Pledged Stock") due to the pledgee or its nominee without any conversion of the Class A Common Stock into Common Stock; provided,

however, that (A) such shares shall not be voted by or registered in the -----
name of the pledgee and shall remain subject to the provisions of

this Section C.4 and (B) upon any foreclosure, realization or other similar action by the pledgee, such Pledged Stock shall automatically convert into shares of Common Stock on a share for share basis unless all right, title and interest in such Pledged Stock shall be Transferred concurrently by the pledgee or the purchaser in such foreclosure to an Affiliate.

(iv) The foregoing automatic conversion events described in this paragraph (c) shall be referred to hereinafter as "Events of Automatic Conversion." The determination of whether an Event of Automatic Conversion shall have occurred will be made by the Board of Directors in accordance with paragraph (h) below.

(d) Automatic Conversion Procedure. Any conversion pursuant to an -----
 Event of Automatic Conversion shall be deemed to have been effected at the time the Event of Automatic Conversion occurred (the "Conversion Time"). At the Conversion Time, the certificate or certificates that represented immediately prior thereto the shares of Class A Common Stock which were so converted (the "Converted Class A Common Stock") shall, automatically and without further action, represent the same number of shares of Common Stock. Holders of Converted Class A Common Stock shall deliver their certificates, duly endorsed in blank or accompanied by proper instruments of transfer, to the principal office of the Corporation or the office of any transfer agent for shares of the Common Stock, together with a notice setting out the name or names (with addresses) and denominations in which the certificate or certificates representing such shares of Common Stock are to be issued and including instructions for delivery thereof. Upon such delivery, the Corporation or its transfer agent shall promptly issue and deliver at such stated address to such holder of shares of Common Stock a certificate or certificates representing the number of shares of Common Stock to which such holder is entitled by reason of such conversion. The Person entitled to receive the shares of Common Stock issuable upon such conversion shall be treated for all purposes as the record holder of such shares of Common Stock at and as of the Conversion Time, and the rights of such Person as a holder of shares of Class A Common Stock that have been converted shall cease and terminate at and as of the Conversion Time, in each case without regard to any failure by such holder to deliver the certificates or the notice required by this Section.

(e) Unconverted Shares; Notice Required. In the event of the

conversion of less than all the shares of Class A Common Stock evidenced by a certificate surrendered to the Corporation in accordance with the procedures of this Section C.4, the Corporation shall execute and deliver to or upon the written order of the holder of such unconverted shares, without charge to such holder, a new certificate evidencing the number of shares of Class A Common Stock not converted.

(f) Retired Shares. Shares of Class A Common Stock that are

converted into shares of Common Stock as provided herein shall not be re-issued as shares of Class A Common Stock and shall be retired and canceled.

(g) Reservation. The Corporation shall at all times reserve and keep

available, out of its authorized and unissued shares of Common Stock, for the purposes of effecting conversions, such number of duly authorized shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of Class A Common Stock. All the shares of Common Stock so issuable shall, when so issued, be duly and validly issued, fully paid and non-assessable, and free from liens and charges with respect to such issuance.

(h) Determination of Voting Rights and Events of Automatic

Conversion. The Board of Directors of the Corporation shall have the power

to determine by a two-thirds vote of the entire Board of Directors, in good faith after reasonable inquiry, whether an Event of Automatic Conversion has occurred with respect to any share of Class A Common Stock. As a condition to counting the votes cast by any holder of shares of Class A Common Stock at any annual or special meeting of shareholders or as a condition to registration of transfer of shares of Class A Common Stock, or for any other purpose, the Board of Directors, in its discretion, may require the holder of such shares to furnish such affidavits or other proof as the Board of Directors reasonably deems necessary or advisable to determine whether an Event of Automatic Conversion shall have occurred.

(i) Stock Legend. The Corporation shall include on the certificates

representing the shares of Class A Common Stock a conspicuous legend referring to the restrictions on transfer and registration of transfer imposed by this Section C.4.

(j) Taxes. The issuance of a certificate for shares of Common Stock

upon conversion of shares of Class A Common Stock shall be made without charge for any stamp or other similar tax in respect of such issuance. However, if any such certificate is to be issued in a name other than that of the holder of the shares of Class A Common Stock converted, the Person or Persons requesting the issuance thereof shall pay to the Corporation the amount of any tax which may be payable in respect of any Transfer involved in such issuance or shall establish to the satisfaction of the Corporation that such tax has been paid or is not required to be paid.

5. Certain Adjustments. In case the Corporation shall at any time

(i) pay a dividend or make a distribution on the Common Stock in shares of Common Stock or other capital stock of the Corporation, (ii) subdivide its outstanding shares of Common Stock into a greater number of shares, (iii) combine its outstanding shares of Common Stock into a smaller number of shares or (iv) otherwise reclassify the Common Stock, the Class A Common Stock shall be comparably adjusted.

6. Action by Written Consent. Notwithstanding Article VI, any action

to be taken at any annual or special meeting of the holders of Class A Common Stock may be taken without a meeting of such holders in accordance with Section 228 of the General Corporation Law of the State of Delaware.

7. Definitions. For purposes of this Section C of Article IV:

(a) Affiliate and Associate. "Affiliate" and "Associate", when used

with reference to any Person (as hereinafter defined), shall have the respective meanings ascribed to such terms in Rule 12b-2 of the Securities Exchange Act of 1934, as in effect on the date of this Restated Certificate of Incorporation.

(b) Beneficial Owner. A Person shall be deemed the "Beneficial

Owner" of, and to "Beneficially Own" and to have "Beneficial Ownership" of (i) any securities that such Person or any of such Person's Affiliates or Associates is deemed to "beneficially own" within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934, as in effect on the date of this Restated Certificate of Incorporation; and (ii) any securities (the "underlying securities") that such Person or any of such Person's Affiliates or

Associates has the right to acquire (whether such right is exercisable immediately or only after the passage of time) pursuant to any agreement, arrangement or understanding (written or oral), or upon the exercise of conversion rights, exchange rights, rights, warrants or options, or otherwise (it being understood that such Person shall also be deemed to be the beneficial owner of the securities convertible into or exchangeable for the underlying securities).

(c) Governance Agreement. The term "Governance Agreement" shall mean -----
the Governance Agreement, dated as of [], 1998, among the Corporation, TDF and Digital Future Investments B.V., a copy of which is attached hereto as Exhibit A.

(d) Nominee. The term "Nominee" shall mean a partnership or other -----
entity that is acting as a bona fide nominee for the registration of record ownership of securities Beneficially Owned by another Person.

(e) Person. The term "Person" means any natural person, corporation, -----
association, partnership, limited liability company, organization, business, other entity, government or political subdivision thereof or governmental agency.

(f) Stockholders Agreement. The term "Stockholders Agreement" shall -----
mean the Stockholders Agreement, dated as of [], 1998, among the Corporation and certain stockholders of the Corporation, a copy of which is attached hereto as Exhibit B.

(g) TDF. The term "TDF" shall mean TeleDiffusion de France -----
International S.A.

(h) TDF Group. The term "TDF Group" shall mean TDF and its -----
Affiliates, collectively.

(i) Transfer. The term "Transfer" shall mean any sale, transfer -----
(including a transfer made in whole or in part without consideration as a gift), exchange, assignment, pledge, encumbrance, alienation or any other disposition or hypothecation of record ownership or of Beneficial Ownership of any share, whether by merger, operation of law or otherwise; provided, -----
however, that (i) a pledge of any share made in accordance with the -----
provisions of paragraph (iii) of Section C.4(c) and (ii) a grant of a proxy with respect to any share to a Person designated by the Board of

Directors of the Corporation who is soliciting proxies on behalf of the Corporation shall not be considered a "Transfer"; and provided further that

in the case of any transferee of record ownership that is a Nominee, such Transfer of record ownership shall be deemed to be made to the Person or Persons for whom such Nominee is acting.

8. Liquidation, Dissolution or Winding Up. In the event of any

voluntary or involuntary liquidation, dissolution or winding up on the Corporation, after payment of all preferential amounts required to be paid to the holders of Preferred Stock, the holders of shares of Common Stock and Class A Common Stock then outstanding shall share ratably in any distribution of the remaining assets and funds of the Corporation in proportion to the respective amounts which would otherwise be payable in respect of the shares held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full. For this purpose, each share of Class A Common Stock shall be entitled to receive the amount which would be payable to shares of Common Stock issued on conversion of such Class A Common Stock if such conversion had occurred immediately prior to such distribution.

ARTICLE V

By-laws

In furtherance of, and not in limitation of, the powers conferred by law and subject to the other provisions of this Restated Certificate of Incorporation, the Board of Directors is expressly authorized and empowered:

(1) To adopt, amend or repeal the By-laws of the Corporation; provided, however, that the By-laws adopted by the Board of Directors under

the powers hereby conferred may be amended or repealed by the Board of Directors or by the stockholders having voting power with respect thereto, provided further that the affirmative vote of the holders of at least 80% of the voting power of the then outstanding Voting Stock (as hereinafter defined), voting together as a single class, shall be required in order for the stockholders to alter, amend or repeal any provision of the By-laws or to adopt any additional By-law; and

(2) from time to time to determine whether and to what extent, and at what times and places, and under what conditions and regulations, the accounts and books of the Corporation, or any of them, shall be open to

inspection of stockholders; and, except as so determined or as expressly provided in this Restated Certificate of Incorporation or in any Preferred Stock Designation, no stockholder shall have any right to inspect any account, book or document of the Corporation other than such rights as may be conferred by applicable law.

The Corporation may in its By-laws confer powers upon the Board of Directors in addition to the foregoing and in addition to the powers and authorities expressly conferred upon the Board of Directors by applicable law.

ARTICLE VI

Action of Stockholders

Except as otherwise specified with respect to any series of Preferred Stock and the Class A Common Stock, any action required or permitted to be taken by the stockholders of the Corporation must be effected at a duly called annual or special meeting of stockholders of the Corporation and may not be effected by any consent in writing in lieu of a meeting of such stockholders.

ARTICLE VII

Board of Directors

Subject to the rights of the holders of any series of Preferred Stock to elect additional Directors under specified circumstances, the number of Directors of the Corporation shall initially be 12 (including the two Directors to be elected by the holders of the Class A Common Stock) and may hereafter be changed from time to time solely by the Board of Directors.

Unless and except to the extent that the By-laws of the Corporation shall so require, the election of Directors of the Corporation need not be by written ballot.

The Directors, other than those Directors who may be elected by the holders of any series of Preferred Stock or holders of Class A Common Stock (the "Non-Classified Directors"), shall be divided into three classes, as nearly equal in number as possible, initially consisting of 3, 3 and 4 Directors. One class of Directors initially consisting of 3 Directors shall be initially elected for a term expiring at the annual meeting of stockholders to be

held in 1999, another class initially consisting of 3 Directors shall be initially elected for a term expiring at the annual meeting of stockholders to be held in 2000, and another class initially consisting of 4 Directors shall be initially elected for a term expiring at the annual meeting of stockholders to be held in 2001. Upon the termination of the term of any Class A Director or Directors then in office pursuant to Section C.2(b) or Section C.4 of Article IV, the number of Directors in one or both, as applicable, of the classes consisting of three Directors shall be increased by one such that the three classes of Directors shall consist of 3, 4 and 4 Directors, or 4, 4 and 4 Directors, as applicable. Members of each class shall hold office until their successors are elected and qualified. At each annual meeting of the stockholders of the Corporation commencing with the 1999 annual meeting, Directors (other than Non-Classified Directors) elected to succeed those Directors whose terms expire shall be elected by a plurality vote at such meeting to hold office for a term expiring at the third succeeding annual meeting of stockholders after their election, with each Director to hold office until his or her successor shall have been duly elected and qualified.

Subject to the rights of the holders of any series of Preferred Stock or holders of Class A Common Stock, vacancies resulting from death, resignation, retirement, disqualification, removal from office or other cause, and newly created Directorships resulting from any increase in the authorized number of Directors, may be filled only by the affirmative vote of a majority of the remaining Directors, though less than a quorum of the Board of Directors, and Directors so chosen shall hold office for a term expiring at the next annual meeting of stockholders at which the term of office of the class to which they have been elected expires and until such Director's successor shall have been duly elected and qualified. No decrease in the number of authorized Directors constituting the Board of Directors shall shorten the term of any incumbent Director.

Except for such additional Directors, if any, as are elected by the holders of any series of Preferred Stock or holders of Class A Common Stock, any Director may be removed from office at any time, but only for cause and by the affirmative vote of the holders of at least 80 percent of the voting power of the then outstanding Voting Stock (other than the Class A Common Stock), voting together as a single class. Notwithstanding the foregoing, holders of Class A Common Stock, voting separately as a class, either by written consent or at a special meeting of such holders called in accordance with the By-laws of the Corporation, may remove any Class A Director with or without cause.

ARTICLE VIII

Indemnification

Each person who is or was a Director or officer of the Corporation shall be indemnified by the Corporation to the fullest extent permitted by the General Corporation Law of the State of Delaware as the same exists or may hereafter be amended or any other applicable laws as presently or hereafter in effect. The Corporation may, by action of the Board of Directors, provide indemnification to other employees and agents of the Corporation, to directors, officers, employees or agents of a subsidiary, and to each person serving as a director, officer, partner, member, employee or agent of another corporation, partnership, limited liability company, joint venture, trust or other enterprise, at the request of the Corporation, with the same scope and effect as the foregoing indemnification of Directors and officers of the Corporation. Notwithstanding the foregoing, the Corporation shall be required to indemnify any person seeking indemnification in connection with a proceeding (or part thereof) initiated by such person only if such proceeding (or part thereof) was authorized by the Board of Directors or is a proceeding to enforce such person's claim to indemnification pursuant to the rights granted by this Restated Certificate of Incorporation or otherwise by the Corporation. Without limiting the generality of the effect of the foregoing, the Corporation may enter into one or more agreements with any person which provide for indemnification greater or different than that provided in this Article VIII. Any amendment or repeal of this Article VIII shall not adversely affect any right or protection existing hereunder in respect of any act or omission occurring prior to such amendment or repeal.

ARTICLE IX

Directors' Liability

A Director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a Director, except for liability (1) for any breach of the Director's duty of loyalty to the Corporation or its stockholders, (2) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (3) under Section 174 of the General Corporation Law of the State of Delaware, or (4) for any transaction from which the Director derived an improper personal benefit. Any

amendment or repeal of this Article IX shall not adversely affect any right or protection of a Director of the Corporation existing hereunder in respect of any act or omission occurring prior to such amendment or repeal.

If the General Corporation Law of the State of Delaware shall be amended, to authorize corporate action further eliminating or limiting the liability of Directors, then a Director of the Corporation, in addition to the circumstances in which he is not liable immediately prior to such amendment, shall be free of liability to the fullest extent permitted by the General Corporation Law of the State of Delaware, as so amended.

ARTICLE X

Stockholder Rights Issuances -----

The Board of Directors is hereby authorized to create and issue, whether or not in connection with the issuance and sale of any of its stock or other securities or property, rights entitling the holders of securities of the Corporation to purchase from the Corporation shares of stock or other securities of the Corporation or any other corporation, recognizing that, under certain circumstances, the creation and issuance of such rights could have the effect of discouraging third parties from seeking, or impairing their ability to seek, to acquire a significant portion of the outstanding securities of the Corporation, to engage in any transaction which might result in a change of control of the Corporation or to enter into any agreement, arrangement or understanding with another party to accomplish the foregoing or for the purpose of acquiring, holding, voting or disposing of any securities of the Corporation. The times at which and the terms upon which such rights are to be issued will be determined by the Board of Directors and set forth in the contracts or instruments that evidence such rights. The authority of the Board of Directors with respect to such rights shall include, but not be limited to, determination of the following:

(A) The initial purchase price per share or other unit of the stock or other securities or property to be purchased upon exercise of such rights.

(B) Provisions relating to the times at which and the circumstances under which such rights may be exercised or sold or otherwise transferred, either together with or separately from, any other stock or other securities of the Corporation.

(C) Provisions which adjust the number or exercise price of such rights or amount or nature of the stock or other securities or property receivable upon exercise of such rights in the event of a combination, split or recapitalization of any stock of the Corporation, a change in ownership of the Corporation's stock or other securities or a reorganization, merger, consolidation, sale of assets or other occurrence relating to the Corporation or any stock of the Corporation, and provisions restricting the ability of the Corporation to enter into any such transaction absent an assumption by the other party or parties thereto of the obligations of the Corporation under such rights.

(D) Provisions which deny the holder of the specified percentage of the outstanding stock or other securities of the Corporation the right to exercise such rights and/or cause the rights held by such holder to become void.

(E) Provisions which permit the Corporation to redeem or exchange such rights, which redemption or exchange may be within the sole discretion of the Board of Directors, if the Board of Directors reserves such right to itself.

(F) The appointment of the rights agent with respect to such rights.

Notwithstanding anything contained in this Restated Certificate of Incorporation to the contrary, in addition to any other vote required by applicable law, the affirmative vote of at least 80 percent of the voting power of the then outstanding Voting Stock, voting together as a single class, shall be required to amend, repeal or adopt any provision inconsistent with this Article X.

ARTICLE XI

Other Agreements

Notwithstanding any other provision of this Restated Certificate of Incorporation, to the extent any provision of the Stockholders Agreement (attached as Exhibit B) or the Governance Agreement (attached as Exhibit A), conflict with, modify or alter any provision of this Restated Certificate of Incorporation, such provision of the Stockholders Agreement or of the Governance Agreement

shall control and be deemed incorporated as part of this Restated Certificate of Incorporation.

ARTICLE XII

Amendments

Except as may be expressly provided in this Restated Certificate of Incorporation, the Corporation reserves the right at any time and from time to time to amend, alter, change or repeal any provision contained in this Restated Certificate of Incorporation or a Preferred Stock Designation, and any other provisions authorized by the laws of the State of Delaware at the time in force may be added or inserted, in the manner now or hereafter prescribed herein or by applicable law, and all rights, preferences and privileges of whatsoever nature conferred upon stockholders, Directors or any other persons whomsoever by and pursuant to this Restated Certificate of Incorporation in its present form or as hereafter amended are granted subject to the right reserved in this Article XII;

provided, however, that any amendment or repeal of Article VIII or Article IX of

this Restated Certificate of Incorporation shall not adversely affect any right or protection existing thereunder in respect of any act or omission occurring prior to such amendment, alteration, change or repeal, and provided further that no Preferred Stock Designation shall be amended after the issuance of any shares of the series of Preferred Stock created thereby, except in accordance with the terms of such Preferred Stock Designation and the requirements of applicable law.

Notwithstanding anything contained in this Restated Certificate of Incorporation to the contrary, and in addition to approval by the Board of Directors and any other vote of stockholders required by applicable law, the affirmative vote of the holders of at least 80% of the voting power of the then outstanding Voting Stock, voting together as a single class, shall be required to amend, repeal or adopt any provision inconsistent with paragraph (1) of Article V, Article VI, Article VII, Article X, Article XI or this second paragraph of this Article XII; provided, however, that, in addition to approval

by the Board of Directors and any other vote of stockholders required by applicable law, any such amendment to Article XI or the provisions of this second paragraph of this Article XII with respect to such Article XI shall, in addition, require the approval of a majority of the holders the Class A Common Stock then outstanding, voting as a separate class. For the purposes of this Restated

Certificate of Incorporation, "Voting Stock" shall mean the outstanding shares of capital stock of the Corporation entitled to vote in a general vote of stockholders of the Corporation as a single class with shares of Common Stock of the Corporation, which shares of capital stock shall be deemed to include the Class A Common Stock. Notwithstanding the foregoing, no amendment to this Restated Certificate of Incorporation which adversely affects the rights of the holders of the Class A Common Stock may be effected without the approval of the holders of a majority of the Class A Common Stock then outstanding.

IN WITNESS WHEREOF, the undersigned has executed this Restated Certificate of Incorporation on this ___th day of _____, 1998.

CROWN CASTLE INTERNATIONAL CORP.

By: _____
Name:
Office:

[Governance Agreement - See Exhibit 10.28]

EXHIBIT B

[Stockholders' Agreement - See Exhibit 10.26]

AMENDED AND RESTATED

BYLAWS

OF

CROWN CASTLE INTERNATIONAL CORP.
(HEREINAFTER CALLED THE "CORPORATION")

[], 1998

ARTICLE I

Offices and Records

SECTION 1.01. Delaware Office. The principal office of the

Corporation in the State of Delaware shall be located in the City of Wilmington,
County of New Castle.

SECTION 1.02. Other Offices. The Corporation may have such other

offices, within or without the State of Delaware, as the Board of Directors of
the Corporation (the "Board") may designate or as the business of the

Corporation may from time to time require.

ARTICLE II

Stockholders

SECTION 2.01. Annual Meeting. The annual meeting of the stockholders

(the "Stockholders") of the Corporation shall be held at such date, place and

time as may be fixed by resolution of the Board.

SECTION 2.02. Special Meeting. Subject to Section 2.07(b)(ii) hereof

and subject to the rights of the holders of any series of preferred stock of the
Corporation (the "Preferred Stock") with respect to special meetings of the

holders thereof, special meetings of the Stockholders may be called at any time
only by the Secretary of the Corporation (the "Secretary") at the direction of

the Board pursuant to a resolution adopted by the Board.

SECTION 2.03. Place of Meeting. The Board may designate the place of

meeting for any meeting of the Stockholders. If no designation is made by the
Board, the place of meeting shall be 510 Bering Street, Suite 500, Houston,
Texas 77057.

SECTION 2.04. Notice of Meeting. Unless otherwise provided by

 applicable law, written or printed notice, stating the place, day and hour of the meeting and, in the case of special meetings, the purpose or purposes for which such special meeting is called, shall be prepared and delivered by the Corporation not less than 10 days nor more than 60 days before the date of the meeting, either personally, or by mail, to each Stockholder of record entitled to vote at such meeting. Such further notice shall be given as may be required by law. Only such business shall be conducted at a special meeting of Stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting. Any previously scheduled meeting of the Stockholders may be postponed, and (unless the Restated Certificate of Incorporation, as amended from time to time (the "Charter") otherwise provides) any special meeting of the Stockholders may be canceled, by resolution of the Board upon public notice given prior to the time previously scheduled for such meeting of Stockholders.

SECTION 2.05. Quorum and Adjournment. Except as otherwise provided

 by law or by the Charter, the holders of a majority of the voting power of the outstanding shares of the Corporation entitled to vote generally in a general vote of Stockholders of the Corporation as a single class with shares of Common Stock of the Corporation (the "Voting Stock"), represented in person or by proxy, shall constitute a quorum at a meeting of Stockholders; provided, however, that (i) in the election of Directors, the holders of a majority of the voting power of the outstanding shares of the Corporation entitled to vote generally in the election of Directors, represented in person or by proxy, shall constitute a quorum at a meeting of Stockholders and (ii) when specified business is to be voted on by a class or series voting as a class, the holders of a majority of the voting power of the shares of such class or series shall constitute a quorum for the transaction of such business. The Chairman of the Board (the "Chairman") or the holders of a majority of the voting power of the shares of Voting Stock so represented may adjourn the meeting from time to time, whether or not there is such a quorum (or, in the case of specified business to be voted on by a class or series, the Chairman of the Board or the holders of a majority of the voting power of the shares of such class or series so represented may adjourn the meeting with respect to such specified business). No notice of the time and place of adjourned meetings need be given except as required by law. The Stockholders present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough Stockholders to leave less than a quorum.

SECTION 2.06. Proxies. At all meetings of Stockholders, a

 Stockholder may vote by proxy as may be permitted by law; provided that no proxy

 shall be exit voted after three years from its date, unless the proxy provides
 for a longer period. Any proxy to be used at a meeting of Stockholders must be
 filed with the Secretary or his representative at or before the time of the
 meeting.

SECTION 2.07. Notice of Stockholder Business and Nominations.

(a) Annual Meetings of Stockholders. (i) Nominations of persons for

 election to the Board and the proposal of business to be considered by the
 Stockholders may be made at an annual meeting of Stockholders (A) pursuant to
 the Corporation's notice of meeting delivered pursuant to Section 2.04 of these
 Amended and Restated By-laws, as amended from time to time (the "By-laws"), (B)

 by or at the direction of the Chairman or (C) by any Stockholder who is entitled
 to vote at the meeting, who complied with the notice procedures set forth in
 clauses (ii) and (iii) of this Section 2.07(a) and who was a Stockholder of
 record at the time such notice is delivered to the Secretary.

(ii) For nominations or other business to be properly brought before
 an annual meeting by a Stockholder pursuant to clause (i)(C) of this Section
 2.07(a), the Stockholder must have given timely notice thereof in writing to the
 Secretary and, in the case of business other than nominations, such other
 business must otherwise be a proper matter for Stockholder action. To be
 timely, a Stockholder's notice shall be delivered to the Secretary at the
 principal executive offices of the Corporation not less than 90 days nor more
 than 120 days prior to the first anniversary of the preceding year's annual
 meeting; provided, however, that with respect to the annual meeting to be held

 in 1999, the anniversary date shall be deemed to be April 1, 1999; provided

 further that in the event that the date of the annual meeting is advanced by

 more than 30 days, or delayed by more than 90 days, from such anniversary date,
 notice by the Stockholder to be timely must be so delivered not earlier than the
 120th day prior to such annual meeting and not later than the close of business
 on the later of the 90th day prior to such annual meeting or the 10th day
 following the day on which Public Announcement of the date of such meeting is
 first made. In no event shall the Public Announcement of an adjournment or
 postponement of an annual meeting commence a new time period for the giving of a
 Stockholder's notice as described in this Section 2.07(a). Such Stockholder's
 notice shall set forth (A) as to each

person whom the Stockholder proposes to nominate for election or reelection as a Director all information relating to such person that is required to be disclosed in solicitations of proxies for election of Directors in an election contest, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the "Exchange Act") and Rule

 14a-11 thereunder, including such person's written consent to being named in the proxy statement as a nominee and to serving as a Director if elected; (B) as to any other business that the Stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and any material interest in such business of such Stockholder and the beneficial owner, if any, on whose behalf the proposal is made; and (C) as to the Stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (1) the name and address of such Stockholder, as they appear on the Corporation's books, and of such beneficial owner, (2) the class and number of shares of the Corporation which are owned beneficially and of record by such Stockholder and such beneficial owner and (3) whether the Stockholder or beneficial owner intends or is part of a group which intends to solicit proxies from other Stockholders in support of such nomination or proposal.

(iii) Notwithstanding anything in the second sentence of clause (ii) of this Section 2.07(a) to the contrary, in the event that the number of Directors to be elected to the Board is increased and there is no Public Announcement naming all of the nominees for Director or specifying the size of the increased Board made by the Corporation at least 100 days prior to the first anniversary of the preceding year's annual meeting, a Stockholder's notice required by this Section 2.07(a) shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the 10th day following the day on which such Public Announcement is first made by the Corporation.

(b) Special Meetings of Stockholders. (i) Only such business shall

 be conducted at a special meeting of Stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting pursuant to Section 2.04 of these By-laws. Nominations of persons for election to the Board may be made at a special meeting of Stockholders at which Directors are to be elected pursuant to the Corporation's notice of meeting (A) by or at the

direction of the Board or (B) by any Stockholder of the Corporation who is entitled to vote at the meeting, who complies with the notice procedures set forth in this Section 2.07(b) and who is a Stockholder of record at the time such notice is delivered to the Secretary. In the event the Corporation calls a special meeting of Stockholders for the purpose of electing one or more Directors to the Board, any such Stockholder may nominate such number of persons for election to such position(s) as are specified in the Corporation's Notice of Meeting, if the Stockholder's notice as required by clause (ii) of Section 2.07(a) shall be delivered to the Secretary at the principal executive offices of the Corporation not earlier than the 120th day prior to such special meeting and not later than the close of business on the later of the 90th day prior to such special meeting or the 10th day following the day on which Public Announcement is first made of the date of the special meeting and of the nominees proposed by the Board to be elected at such meeting. In no event shall the public announcement of an adjournment or postponement of a special meeting commence a new time period for the giving of a Stockholder's notice as described above.

(ii) Notwithstanding the foregoing clause (i), a special meeting of the holders of shares of Class A Common Stock may be called with respect to action upon which the holders of Class A Common Stock are entitled to vote as a separate class (A) by or at the direction of the Board or (B) by any holder of record of shares of Class A Common Stock upon reasonable notice to the Secretary, and any action to be taken at such meeting may be effected by written ballot.

(c) General. (i) Only persons who are nominated in accordance with -----
the procedures set forth in paragraphs (a) or (b) of this By-law shall be eligible to be elected as Directors at a meeting of Stockholders and only such business shall be conducted at a meeting of Stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this Section 2.07. Except as otherwise provided by law, the Charter or these By-laws, the Chairman shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made in accordance with the procedures set forth in this Section 2.07 and, if any proposed nomination or business is not in compliance with these By-laws, to declare that such defective proposal or nomination shall be disregarded.

(ii) For purposes of these By-laws, "Public Announcement" shall mean -----
disclosure in a press release

reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act or any document delivered to all Stockholders (including without limitation any quarterly income statement).

(iii) Notwithstanding the foregoing provisions of these By-laws, a Stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this Section 2.07. Nothing in these By-laws shall be deemed to affect any rights of Stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act.

SECTION 2.08. Procedure for Election of Directors; Voting. The

election of Directors submitted to Stockholders at any meeting shall be decided by a plurality of the votes cast thereon. Except as otherwise provided by applicable law, rule or regulation, the Charter or these By-laws, all matters other than the election of Directors submitted to the Stockholders at any meeting shall be decided by the affirmative vote of a majority of the voting power of the shares present in person or represented by proxy at the meeting and entitled to vote thereon, and where a separate vote by class is required, a majority of the voting power of the shares of that class present in person or represented by proxy at the meeting and entitled to vote thereon.

The vote on any matter, including the election of Directors, shall be by written ballot. Each ballot shall be signed by the Stockholder voting, or by such Stockholder's proxy, and shall state the number of shares voted.

SECTION 2.09. Inspectors of Elections; Opening and Closing the Polls.

(a) To the extent required by applicable law, the Board by resolution shall appoint one or more inspectors, which inspector or inspectors may not be Directors, officers or employees of the Corporation, to act at the meeting and make a written report thereof. One or more persons may be designated as alternate inspectors to replace any inspector who fails to act. To the extent required by applicable law, if no inspector or alternate has been appointed to act, or if all inspectors or alternates who have been appointed are unable to act, at a meeting of Stockholders, the Chairman shall appoint one or more inspectors to act at the meeting. Each inspector, before discharging his or her duties, shall take and sign an oath

faithfully to execute the duties of inspector with strict impartiality and according to the best of his or her ability. The inspectors shall have the duties prescribed by the General Corporation Law of the State of Delaware.

(b) The Chairman shall fix and announce at the meeting the date and time of the opening and the closing of the polls for each matter upon which the Stockholders will vote at the meeting.

ARTICLE III

Board

SECTION 3.01. General Powers. The business and affairs of the

Corporation shall be managed by or under the direction of the Board. In addition to the powers and authorities by these By-laws expressly conferred upon them, the Board may exercise all such powers of the Corporation and do all such lawful acts and things as are not by law or by the Charter or by these By-laws required to be exercised or done by the Stockholders.

SECTION 3.02. Number, Tenure and Qualifications. Subject to Article

VI of these By-laws and to the rights of the holders of any series of Preferred Stock, the number of Directors shall be fixed from time to time exclusively pursuant to a resolution adopted by the Board (provided that such resolution shall be deemed to be an amendment for purposes of the Governance Agreement), and shall initially consist of twelve Directors, two of which Directors shall, for so long as provided pursuant to the terms of such Class A Common Stock set forth in the Charter, be elected by the holders of shares of Class A Common Stock outstanding, voting together as a single class, in accordance with the terms of the Charter. However, no decrease in the number of Directors constituting the Board shall shorten the term of any incumbent Director.

SECTION 3.03. Regular Meetings. A regular meeting of the Board shall

be held without other notice than this Section 3.03 immediately after, and at the same place as, each annual meeting of Stockholders. The Board may, by resolution, provide the time and place for the holding of additional regular meetings without notice other than such resolution. Unless otherwise determined by the Board, the Secretary shall act as secretary at all regular meetings of the Board and in the Secretary's absence a temporary secretary shall be appointed by the chairman of the meeting.

SECTION 3.04. Special Meetings. Special meetings of the Board shall

 be called at the request of the Chairman and the President, acting together, or a majority of the Board. The person or persons authorized to call special meetings of the Board may fix the place and time of the meetings. Unless otherwise determined by the Board, the Secretary shall act as secretary at all special meetings of the Board and in the Secretary's absence a temporary secretary shall be appointed by the chairman of the meeting.

SECTION 3.05. Notice. Notice of any special meeting shall be mailed

 to each Director at his business or residence not later than five days before the day on which such meeting is to be held or shall be sent to either of such places by telegraph or facsimile or other electronic transmission, or be communicated to each Director personally or by telephone, not later than two days before such day of meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice of such meeting, except for amendments to these By-laws as provided pursuant to Section 9.01 hereof. A meeting may be held at any time without notice if all the Directors are present (except as otherwise provided by law) or if those present waive notice of the meeting in accordance with Section 7.04 hereof, either before or after such meeting.

SECTION 3.06. Action Without Meeting. Any action required or

 permitted to be taken at any meeting of the Board or any committee thereof may be taken without a meeting if a written consent thereto is signed by all members of the Board or of such committee, as the case may be, and such written consent is filed with the records of the proceedings of the Board or such committee.

SECTION 3.07. Conference Telephone Meetings. Members of the Board,

 or any committee thereof, may participate in a meeting of the Board or such committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at such meeting.

SECTION 3.08. Quorum. At all meetings of the Board or any committee,

 a majority of the Entire Board (as defined in Section 3.09(a)) or the entire committee (assuming no vacancies or unfilled newly-created committee memberships), as the case may be, shall constitute a quorum for the transaction of business and the act of a majority of the Directors or members, as the case may be, present at any meeting at which there is a quorum shall be the act of the

Board or such committee, as the case may be, except as otherwise provided in the General Corporation Law of the State of Delaware, the Charter or these By-laws. If a quorum shall not be present at any meeting of the Board or any committee, a majority of the Directors or members, as the case may be, present thereat may adjourn the meeting from time to time without further notice other than announcement at the meeting.

SECTION 3.09. Committees. (a) The Corporation shall have four

 standing committees: the executive committee, the nominating committee, the audit committee and the compensation committee. The executive committee shall have those powers and authority as are delegated to it from time to time pursuant to a resolution passed by a two-thirds vote of the total number of Directors which the Corporation would have if there were no vacancies or unfilled newly-created directorships (the "Entire Board").

(b) The nominating committee shall have the following powers and authority: (i) evaluating and recommending Director candidates to the Board (other than Directors to be elected by the holders of the Class A Common Stock), (ii) assessing Board performance not less frequently than every three years, (iii) recommending Director compensation and benefits philosophy for the Corporation, (iv) reviewing individual Director performance as issues arise and (v) periodically reviewing the Corporation's corporate governance profile.

(c) The audit committee shall have the following powers and authority: (i) employing independent public accountants to audit the books of account, accounting procedures, and financial statements of the Corporation and to perform such other duties from time to time as the audit committee may prescribe, (ii) receiving the reports and comments of the Corporation's internal auditors, if any, and of the independent public accountants of the Corporation and to take such action with respect thereto as the audit committee may deem appropriate, (iii) requesting the Corporation's consolidated subsidiaries and affiliated companies to employ independent public accountants to audit their respective books of account, accounting procedures, and financial statements, (iv) requesting the independent public accountants to furnish to the compensation committee the certifications required under any present or future stock option, incentive compensation or employee benefit plan of the Corporation, (v) reviewing the adequacy of internal financial controls, and (vi) reviewing the accounting principles employed in financial reporting. None of the members of the audit committee shall be an officer or

full-time employee of the Corporation or of any Subsidiary (as hereinafter defined) of the Corporation.

(d) The compensation committee shall have the following powers and authority: (i) determining and fixing the compensation for all senior officers of the Corporation and those of its Subsidiaries that the compensation committee shall from time to time consider appropriate, as well as all employees of the Corporation and its Subsidiaries compensated at a rate in excess of such amount per annum as may be fixed or determined from time to time by the Board, (ii) performing the duties of the committees of the Board provided for in any present or future stock option, incentive compensation or employee benefit plan of the Corporation and (iii) reviewing the operations of and policies pertaining to any present or future stock option, incentive compensation or employee benefit plan of the Corporation or any Subsidiary that the compensation committee shall from time to time consider appropriate.

(e) In addition, the Board may, by resolution passed by a two-thirds vote of the Entire Board, designate one or more additional committees, with each such committee consisting of one or more Directors of the Corporation and having such powers and authority as the Board shall designate by such resolutions.

(f) Any modification to the powers and authority of any committee shall require the adoption of a resolution by a two-thirds vote of the Entire Board.

(g) All acts done by any committee within the scope of its powers and authority pursuant to these By-laws and the resolutions adopted by the Board in accordance with the terms hereof shall be deemed to be, and may be certified as being, done or conferred under authority of the Board. The Secretary or any Assistant Secretary is empowered to certify that any resolution duly adopted by any such committee is binding upon the Corporation and to execute and deliver such certifications from time to time as may be necessary or proper to the conduct of the business of the Corporation.

(h) Regular meetings of committees shall be held at such times as such is determined by resolution of the Board or the committee in question and no notice shall be required for any regular meeting other than such resolution. A special meeting of any committee shall be called by resolution of the Board, or by the Secretary or an Assistant Secretary upon the request of the chairman or a majority of the members of any committee. Notice of special meetings

shall be given to each member of the committee in the same manner as that provided for in Section 3.05 of these By-laws.

SECTION 3.10. Committee Members. (a) Each member of any committee

of the Board shall hold office until such member's successor is elected and has qualified, unless such member sooner dies, resigns or is removed. The number of Directors which shall constitute any committee shall be determined by resolution adopted by a two-thirds vote of the Entire Board.

(b) The Board may remove a Director from a committee or change the chairmanship of a committee only by resolution adopted by a two-thirds vote of the Entire Board.

(c) The Board may designate one or more Directors as alternate members of any committee to fill any vacancy on a committee and to fill a vacant chairmanship of a committee, occurring as a result of a member or chairman leaving the committee, whether through death, resignation, removal or otherwise; provided that any such designation may only be amended by a two-thirds vote of

the Entire Board.

SECTION 3.11. Committee Secretary. The Board may elect a secretary

of any such committee. If the Board does not elect such a secretary, the committee shall do so. The secretary of any committee need not be a member of the committee, but shall be selected from a member of the staff of the office of the Secretary, unless otherwise provided by the Board or the committee, as applicable.

SECTION 3.12. Compensation. The Directors may be paid their

expenses, if any, of attendance at each meeting of the Board and may be paid compensation as Director or chairman of any committee and for attendance at each meeting of the Board. Members of special or standing committees may be allowed like compensation and payment of expenses for attending committee meetings.

ARTICLE IV

Officers

SECTION 4.01. General. The officers of the Corporation shall be

elected by the Board and shall consist of: a Chairman of the Board; a Chief Executive Officer; a President; a Chief Financial Officer; one or more Executive Vice Presidents; one or more Vice Presidents; a Secretary; one or more Assistant Secretaries; a Treasurer; a

Controller; and such other officers as in the judgment of the Board may be necessary or desirable. All officers chosen by the Board shall have such powers and duties as generally pertain to their respective offices, subject to the specific provisions of this Article IV. Such officers shall also have powers and duties as from time to time may be conferred by the Board or any committee thereof. Any number of offices may be held by the same person, unless otherwise prohibited by law, the Charter or these By-laws. The officers of the Corporation need not be Stockholders or Directors of the Corporation.

SECTION 4.02. Election and Term of Office. The elected officers of

the Corporation shall be elected annually by the Board at the regular meeting of the Board held after each annual meeting of the Stockholders. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as convenient. Each officer shall hold office until his successor shall have been duly elected and shall have qualified or until his death or until he shall resign or be removed.

SECTION 4.03. Chairman of the Board. The Chairman shall be a member

of the Board and shall be an officer of the Corporation. The Chairman, if present, shall preside at all meetings of the Board and at all meetings of Stockholders.

SECTION 4.04. Chief Executive Officer. The Chief Executive Officer

shall supervise, coordinate and manage the Corporation's business and activities and supervise, coordinate and manage its operating expenses and capital allocation, shall have general authority to exercise all the powers necessary for the Chief Executive Officer of the Corporation and shall perform such other duties and have such other powers as may be prescribed by the Board or these By-laws, all in accordance with basic policies as established by and subject to the oversight of the Board.

SECTION 4.05. President. The President shall be an officer of the

Corporation. The President shall supervise, coordinate and manage the Corporation's business and activities and supervise, coordinate and manage its operating expenses and capital allocation, shall have general authority to exercise all the powers necessary for the President of the Corporation and shall perform such other duties and have such other powers as may be prescribed by the Board or these By-laws, all in accordance with basic policies as established by and subject to the oversight of the Board and the Chairman and Chief Executive Officer.

SECTION 4.06. Chief Financial Officer. The Chief Financial Officer

 shall have responsibility for the financial affairs of the Corporation. The Chief Financial Officer shall perform such other duties and have such other powers as may be prescribed by the Board or these By-laws, all in accordance with basic policies as established by and subject to the oversight of the Board, the Chairman, the Chief Executive Officer and the President.

Section 4.07. Vice President. The Vice President, or Vice

 Presidents, if any shall be appointed, shall have such duties as the Board of Directors, the President or the By-Laws may from time to time prescribe.

Section 4.08. Treasurer. The Treasurer shall have the custody of the

 Corporation's funds and securities and shall keep full and accurate account of receipts and disbursements in books belonging to the Corporation. He shall deposit all moneys and other valuables in the name and to the credit of the Corporation in such depositories as may be designated by the Board. He shall disburse the funds of the Corporation as may be ordered by the Board, or the President, taking proper vouchers for such disbursements.

Section 4.09. Secretary. The Secretary shall give, or cause to be

 given, notice of all meetings of Stockholders and Directors and all other notices required by law or by these By-laws, and in case of his absence or refusal or neglect so to do, any such notice may be given by any person thereunto directed by the President, the Directors or Stockholders, upon whose request the meeting is called as provided in these By-laws. He shall record all the proceedings of the meetings of the Board, any committees thereof and the Stockholders of the Corporation in a book to be kept for that purpose, and shall perform such other duties as may be assigned to him by the Board or the President. He shall have the custody of the seal of the Corporation and shall affix the same to all instruments requiring it, when authorized by the Board or the President, and attest the same.

Section 4.10. Assistant Treasurers and Assistant Secretaries.

 Assistant Treasurers and Assistant Secretaries, if any shall be appointed, shall have such powers and shall perform such duties as shall be assigned to them, respectively, by the Board or the President.

SECTION 4.11. Vacancies. A newly created office and a vacancy in any

 office because of death, resignation, or removal may be filled only by the Board for the unexpired portion of the term of any such office.

ARTICLE V

Stock Certificates and Transfers
-----SECTION 5.01. Stock Certificates and Transfers. (a) The interest of

each Stockholder shall be evidenced by certificates for shares of stock in such form as the appropriate officers of the Corporation may from time to time prescribe; provided that the Board may provide by resolution or resolutions that

all or some of all classes or series of the stock of the Corporation shall be represented by uncertificated shares. Notwithstanding the adoption of such a resolution by the Board, every holder of stock represented by certificates and upon request every holder of uncertificated shares, if any, shall be entitled to have a certificate signed by, or in the name of the Corporation by the Chairman, or the President or any other authorized officer and by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary of the Corporation representing the number of shares registered in certificate form. Except as otherwise expressly provided by law, the rights and obligations of the holders of uncertificated stock, if any, and the rights and obligations of the holders of certificates representing stock of the same class and series shall be identical.

(b) The certificates of stock shall be signed, countersigned and registered in such manner as the Board may by resolution prescribe, which resolution may permit all or any of the signatures on such certificates to be in facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate has ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he were such officer, transfer agent or registrar at the date of issue.

(c) The shares of the stock of the Corporation represented by certificates shall be transferred on the books of the Corporation by the holder thereof in person or by his attorney, upon surrender for cancelation of certificates for the same number of shares, with an assignment and power of transfer endorsed thereon or attached thereto, duly executed, with such proof of the authenticity of the signature as the Corporation or its agents may reasonably require. Upon receipt of proper transfer instructions from the registered owner of uncertificated shares such uncertificated shares shall be canceled and issuance of new equivalent uncertificated

shares or certificated shares shall be made to the person entitled thereto and the transaction shall be recorded upon the books of the Corporation. Within a reasonable time after the issuance or transfer of uncertificated stock, the Corporation shall send to the registered owner thereof a written notice containing the information required to be set forth or stated on certificates pursuant to the General Corporation Law of the State of Delaware or, unless otherwise provided by the General Corporation Law of the State of Delaware, a statement that the Corporation will furnish without charge to each Stockholder who so requests the powers, designations, preferences and relative participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

SECTION 5.02. Lost, Stolen or Destroyed Certificates. No certificate

 for shares or uncertificated shares of stock in the Corporation shall be issued in place of any certificate alleged to have been lost, destroyed or stolen, except on production of such evidence of such loss, destruction or theft and on delivery to the Corporation of a bond of indemnity in such amount, upon such terms and secured by such surety, as the Board or its designee may in its or his discretion require.

ARTICLE VI

Other Agreements

 Notwithstanding any other provision of these By-laws, to the extent any provision of (a) the Stockholders Agreement (the "Stockholders Agreement"), dated [], 1998, among the Corporation and certain Stockholders of the Corporation (attached hereto as Appendix A) or (b) the Governance Agreement (the "Governance Agreement"), dated [], 1998, among the Corporation, TeleDiffusion de France International S.A. and Digital Future Investments B.V. (attached hereto as Appendix B), conflict with, modify or alter any provision of these By-laws, such provision of the Stockholders Agreement or of the Governance Agreement shall control and be deemed incorporated as part of these By-laws.

ARTICLE VII

Miscellaneous Provisions

SECTION 7.01. Fiscal Year. The fiscal year of the Corporation shall

 be as specified by the Board.

SECTION 7.02. Dividends. The Board may from time to time declare,

and the Corporation may pay, dividends on its outstanding shares in the manner and upon the terms and conditions provided by law and its Charter.

SECTION 7.03. Seal. The corporate seal shall have thereon the name

of the Corporation and shall be in such form as may be approved from time to time by the Board.

SECTION 7.04. Waiver of Notice. Whenever any notice is required to

be given to any Stockholder or Director of the Corporation under the provisions of the General Corporation Law of the State of Delaware, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Neither the business to be transacted at, nor the purpose of, any annual or special meeting of the Stockholders or any meeting of the Board or committee thereof need be specified in any waiver of notice of such meeting.

SECTION 7.05. Audits. The accounts, books and records of the

Corporation shall be audited upon the conclusion of each fiscal year by an independent certified public accountant selected by the audit committee, and it shall be the duty of the audit committee to cause such audit to be made annually.

SECTION 7.06. Resignations. Any Director or any officer, whether

elected or appointed, may resign at any time upon notice of such resignation to the Corporation.

SECTION 7.07. Indemnification and Insurance. (a) Each person who

was or is made a party or is threatened to be made a party to or is involved in any manner in any threatened, pending or completed action, suit, or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "Proceeding"), by reason of the fact that he or she or a person of whom he or

she is the legal representative is or was a Director or officer of the Corporation or, while a Director or officer of the Corporation, a Director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise shall be indemnified and held harmless by the Corporation to the fullest extent permitted by the General Corporation Law of the State of Delaware, as the same exists or may hereafter be amended or any other applicable laws as presently or hereafter in effect, and such indemnification shall continue as to a person who has ceased to be a Director or officer and shall inure to the

benefit of his or her heirs, executors and administrators; provided, however,

that the Corporation shall indemnify any such person seeking indemnification in connection with a Proceeding (or part thereof) initiated by such person only if such Proceeding (or part thereof) was authorized by the Board or is a Proceeding to enforce such person's claim to indemnification pursuant to the rights granted by this Section 7.07. The Corporation shall pay the expenses incurred by any person described in the first sentence of this Section 7.07(a) in defending any such Proceeding in advance of its final disposition upon, to the extent such an undertaking is required by applicable law, receipt of an undertaking by or on behalf of such person to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the Corporation as authorized in this Section 7.07 or otherwise.

(b) The indemnification and the advancement of expenses incurred in defending a Proceeding prior to its final disposition provided by, or granted pursuant to, this Section 7.07 shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the Charter, other provision of these By-laws, vote of Stockholders or Disinterested Directors or otherwise. No repeal, modification or amendment of, or adoption of any provision inconsistent with, this Section 7.07, nor to the fullest extent permitted by applicable law, any modification of law, shall adversely affect any right or protection of any person granted pursuant hereto existing at, or with respect to any events that occurred prior to, the time of such repeal, amendment, adoption or modification.

(c) The Corporation may maintain insurance, at its expense, to protect itself and any person who is or was a Director, officer, partner, member, employee or agent of the Corporation or a Subsidiary or of another corporation, partnership, limited liability company, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the General Corporation Law of the State of Delaware.

(d) The Corporation may, to the extent authorized from time to time by the Board, grant rights to indemnification, and rights to be paid by the Corporation the expenses incurred in defending any Proceeding in advance of its final disposition, to any person who is or was an employee or agent (other than a Director or officer) of the Corporation or a Subsidiary and to any person who is or was

serving at the request of the Corporation or a Subsidiary as a Director, officer, partner, member, employee or agent of another corporation, partnership, limited liability company, joint venture, trust or other enterprise, including service with respect to employee benefit plans maintained or sponsored by the Corporation or a Subsidiary, to the fullest extent of the provisions of this Section 7.07 with respect to the indemnification and advancement of expenses of Directors and officers of the Corporation.

(e) If any provision or provisions of this Section 7.07 shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (1) the validity, the legality and enforceability of the remaining provisions of this Section 7.07 (including, without limitation, each portion of any paragraph or clause of this Section 7.07 containing any such provision held to be invalid, illegal or unenforceable, that is not itself held to be invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby; and (2) to the fullest extent possible, the provisions of this Section 7.07 (including, without limitation, each such portion of any paragraph of this Section 7.07 containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

(f) For purposes of these By-laws (including this Section 6.07):

(1) "Disinterested Director" means a Director of the Corporation who

is not and was not a party to the proceeding or matter in respect of which indemnification is sought by the claimant.

(2) "Subsidiary" means a corporation, a majority of the capital stock

of which is owned directly or indirectly by the Corporation, other than Directors' qualifying shares, if any.

(g) Any notice, request, or other communication required or permitted to be given to the Corporation under this Section 7.07 shall be in writing and either delivered in person or sent by telecopy, telex, telegram, overnight mail or courier service, or certified or registered mail, postage prepaid, return receipt requested, to the Secretary of the Corporation and shall be effective only upon receipt by the Secretary.

ARTICLE VIII

Contracts, Proxies, Etc.
-----SECTION 8.01. Contracts. Except as otherwise required by law, the

Charter or these By-laws, any contracts or other instruments may be executed and delivered in the name and on the behalf of the Corporation by such officer or officers of the Corporation as the Board may from time to time direct. Such authority may be general or confined to specific instances as the Board may determine. Subject to the control and direction of the Board, the Chairman, the Chief Executive Officer, the President, the Chief Financial Officer, Treasurer, Vice-President and any Assistant Treasurer or Assistant Secretary may enter into, execute, deliver and amend bonds, promissory notes, contracts, agreements, deeds, leases, guarantees, loans, commitments, obligations, liabilities and other instruments to be made or executed for or on behalf of the Corporation. Subject to any restrictions imposed by the Board, such officers of the Corporation may delegate such powers to others under his or her jurisdiction, it being understood, however, that any such delegation of power shall not relieve such officer of responsibility with respect to the exercise of such delegated power.

SECTION 8.02. Proxies. Unless otherwise provided by resolution

adopted by the Board, the Chairman of the Board or the President may from time to time appoint an attorney or attorneys or agent or agents of the Corporation, in the name and behalf of the Corporation, to cast the votes which the Corporation may be entitled to cast as the holder of stock or other securities in any other corporation or entity, any of whose stock or other securities may be held by the Corporation, at meetings of the holders of the stock or other securities of such other corporation or entity, or to consent in writing, in the name of the Corporation as such holder, to any action by such other corporation or entity, and may instruct the person or persons so appointed as to the manner of casting such vote or giving such consent, and may execute or cause to be executed in the name and on behalf of the Corporation and under its corporate seal or otherwise, all such written proxies or other instruments as he may deem necessary or proper in the premises.

ARTICLE IX

Amendments

SECTION 9.01. Amendments. These By-laws may be altered, amended or

 repealed, in whole or in part, or new Amended and Restated By-laws may be
 adopted by the Stockholders or by the Board at any meeting thereof; provided,

 however, that notice of such alteration, amendment, repeal or adoption of new

 Amended and Restated By-laws is contained in the notice of such meeting of
 Stockholders or in the notice of such meeting of the Board and, in the latter
 case, such notice is given not less than 24 hours prior to the meeting. Unless
 a higher percentage is required by the Charter as to any matter which is the
 subject of these By-laws, all such amendments must be approved by either the
 holders of 80% of the voting power of the then outstanding Voting Stock or by
 the Board; provided that, notwithstanding the foregoing, the Board may alter,

 amend or repeal, or adopt new By-laws in conflict with, (i) any provision of
 these By-laws which requires a two-thirds vote of the Entire Board for action to
 be taken thereunder, (ii) Article VI of these By-laws and (iii) this proviso to
 this Section 9.01 of these By-laws only by a resolution adopted by a two-thirds
 vote of the Entire Board; provided, further, that any such amendment to Article

 VI hereof pursuant to the foregoing clause (ii) shall require the approval of a
 majority of the holders of the Class A Common Stock then outstanding.

Notwithstanding the foregoing, no amendment to these By-laws which adversely
 affects the rights of the holders of the Class A Common Stock may be effected
 without the approval of the holders of a majority of the Class A Common Stock.

AMENDED AND RESTATED LOAN AGREEMENT

by and among

CROWN COMMUNICATION INC. and

CROWN CASTLE INTERNATIONAL CORP. DE PUERTO RICO,

as the Borrowers,

KEY CORPORATE CAPITAL INC.,

as Administrative Agent and Documentation Agent,

PNC BANK, NATIONAL ASSOCIATION,

as Syndication Agent,

and

THE FINANCIAL INSTITUTIONS LISTED HEREIN

AS OF JULY 10, 1998

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AMENDED AND RESTATED LOAN AGREEMENT

THIS AMENDED AND RESTATED LOAN AGREEMENT is made and entered into as of June __, 1998, by and among CROWN COMMUNICATION INC., a Delaware corporation ("CCI"), CROWN CASTLE INTERNATIONAL CORP. DE PUERTO RICO, a Puerto Rico corporation ("CCI-PR" and, together with CCI, collectively, the "Borrowers" and individually, a "Borrower"), the FINANCIAL INSTITUTIONS listed on the signature pages hereof, KEY CORPORATE CAPITAL INC., as Administrative Agent and Documentation Agent (the "Administrative Agent"), and PNC BANK, NATIONAL ASSOCIATION, as Syndication Agent (the "Syndication Agent").

R E C I T A L S:

Castle Tower Corporation, CCI-PR, the Administrative Agent, the Syndication Agent and the Banks entered into a Loan Agreement dated as of April 26, 1995, as amended by the First Amendment to Loan Agreement dated as of June 26, 1996, the Second Amendment to Loan Agreement dated as of January 17, 1997, the Third Amendment to Loan Agreement dated as of April 3, 1997, the Fourth Amendment to Loan Agreement dated as of October 31, 1997, and the Fifth Amendment to Loan Agreement dated as of November 24, 1997 (as so amended, the "Original Agreement"), pursuant to which the Banks agreed to make available to Castle Tower Corporation and CCI-PR loans of up to \$100,000,000. Castle Tower Corporation has merged with and into CCI, and as a result of such merger, by operation of law, CCI has assumed all of the obligations of Castle Tower Corporation under the Original Agreement and the notes issued pursuant thereto. The Borrowers have requested that the Original Agreement be amended and restated to incorporate in one document all of the amendments to the Original Agreement, to reflect the merger of Castle Tower Corporation into CCI and to make certain other changes. The Agents and the Banks, subject to the terms and conditions hereof, have agreed to such request.

A G R E E M E N T S:

Accordingly, the Borrowers, the Banks and the Agents agree as follows:

SECTION 1. DEFINITIONS.

1.1 Definitions. All terms typed with leading capitals are terms

defined in this Agreement. For the purposes of this Agreement, the terms defined in this Section 1 shall have the meanings set out below.

"Affiliate" means, with respect to any Person, (a) any other Person

which is directly or indirectly controlled by, under common control with or controlling the first specified Person; (b) a Person owning beneficially or controlling 5% or more of the equity interest in such other Person; (c) any officer, director or partner of such other Person; or (d) any spouse or relative (by blood, adoption or marriage) of any such individual Person. The term "control" means possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person whether through the ownership of voting securities or partnership interests, by contract or otherwise.

"Agents" means collectively the Administrative Agent and the

Syndication Agent.

"Applicable Margin" means, as of any date of determination, the

percentage determined from the following table based upon the ratio of Total Debt as of such date to Operating Cash Flow for the four quarter period then ended or then most recently ended:

Ratio of Total Debt to Operating Cash Flow:	Applicable Margin for Base Rate Loans:	Applicable Margin for LIBOR Loans:
-----	-----	-----
Greater than 6.5:1.0	1.500%	3.250%
Greater than 6.0:1.0 but less than or equal to 6.5:1.0	1.250%	
2.750% Greater than 5.5:1.0 but less than or equal to 6.0:1.0	1.000%	2.250%
Greater than 5.0:1.0 but less than or equal to 5.5:1.0	0.875%	2.125%

Greater than 4.5:1.0 but less than or equal to 5.0:1.0	0.625%	1.875%
Greater than 4.0:1.0 but less than or equal to 4.5:1.0	0.375%	1.625%
Greater than 3.5:1.0 but less than or equal to 4.0:1.0	0.000%	1.250%
Less than or equal to 3.5:1.0	0.000%	1.000%

"Applicable Percentage" means, as of any date of determination, the

percentage determined from the following table based upon the Leverage Ratio:

Leverage Ratio: -----	Applicable Percentage: -----
Greater than or equal to 5.0:1.0	50%
Less than 5.0:1.0	0%;

provided, however, that the Applicable Percentage shall be 100% if at the time

of determination a Possible Default or Event of Default exists.

"Asset Sale" means the sale by either Borrower or any of their

Subsidiaries to any Person of any assets of such Borrower or Subsidiary, other than (a) the sale of assets with an aggregate value which does not exceed in any fiscal year an amount equal to \$500,000 and (b) the sale in the ordinary course of business of assets held for resale in the ordinary course of business or the trade in or replacement of assets in the ordinary course of business or the disposition of any asset which, in the good faith exercise of its business judgment, such Borrower or Subsidiary determines is no longer useful in the conduct of its business.

"Banking Day" means a day on which the main office of the

Administrative Agent is open to the public for the transaction of business, and on which, with respect to any LIBOR Loan, banks are open for business in London, England, and quoting deposit rates for dollar deposits.

"Banks" means the financial institutions listed on the signature pages

of this Agreement and their respective

successors and assigns; the term "Banks" shall include the Issuing Bank.

"Base Rate" means the rate of interest determined and publicly

announced by the Administrative Agent from time to time as its prime rate at its main office in Cleveland, Ohio. The prime rate functions as a reference rate index, and the Administrative Agent may charge other borrowers more or less than the prime rate. The Base Rate will automatically change as and when such prime rate changes.

"Base Rate Loans" means those Reducing Loans described in Section 2.1

on which the Borrowers shall pay interest at a rate based on the Base Rate.

"Benefit Arrangement" means any pension, profit-sharing, thrift or

other retirement plan, medical, hospitalization, vision, dental, life, disability or other insurance or benefit plan, deferred compensation, stock ownership, stock purchase, stock option, performance share, bonus, fringe benefit, savings or other incentive plan, severance plan or other similar plan, agreement, arrangement or understanding, to which either Borrower or any member of the Controlled Group is, or in the preceding six years was, required to contribute on behalf of its employees or directors, whether or not such plan, agreement, arrangement or understanding is subject to ERISA.

"Borrowers Security Agreement" has the meaning assigned to it in

Section 6.2(a).

"Capital Distribution" means any dividend, payment or distribution

made, liability incurred or other consideration given for the purchase, acquisition, redemption or retirement of any capital stock, partnership interest or other equity interest of a Person or as a dividend, return of capital or other payment or distribution of any kind to a stockholder or partner of such Person (other than any stock dividend or stock split or similar distribution payable only in capital stock of such Person) in respect of such Person's capital stock or partnership interests.

"Capital Expenditures" means any payments which are made by a Person

for or in connection with the rental, lease, purchase, construction or use of any real or personal property the value or cost of which, under GAAP, should be capitalized and appear on such Person's balance sheet in the category of property, plant or equipment, without regard to the manner in which such payments or the instrument pursuant to which they are made are characterized by such Person or

any other Person; provided, however, that neither (a) the capitalized portion of

 the purchase price payable pursuant to a Qualified Acquisition nor (b) the
 capitalized portion of expenditures for the construction or improvement of
 communications tower facilities shall constitute a Capital Expenditure.

"Capitalized Lease Obligations" means, as to any Person, the

 obligations of such Person to pay rent or other amounts under leases of, or
 other agreements conveying the right to use real or personal property, which
 obligations are required to be classified and accounted for as capital leases on
 a balance sheet of such Person, prepared in accordance with GAAP.

"CCI Pledge Agreement" has the meaning assigned to it in Section

 6.3(b).

"Closing" and "Closing Date" have the meanings assigned to them in

 Section 4.

"Code" means the Internal Revenue Code of 1986, as amended, or any

 successor statute thereto.

"Collateral Documents" means all promissory notes, letters of credit,

 agreements, assignments, guaranties, mortgages, financing statements,
 certificates and other agreements, instruments and documents which are required
 by this Agreement or any other Collateral Document to be executed or delivered
 by or on behalf of either Borrower, any of their Subsidiaries, Holdco or any
 other Person.

"Controlled Group" means a controlled group of entities which are

 treated as a single employer under Sections 414(b), 414(c) or 414(m) of the Code
 of which either Borrower or any of their Subsidiaries is a part.

"Crown Mobile" means Crown Mobile Systems, Inc., a Pennsylvania

 corporation which is a wholly owned Subsidiary of CCI.

"Crown Network" means Crown Network Systems, Inc., a Pennsylvania

 corporation which is a wholly owned Subsidiary of CCI.

"Debt Service" means, for any period, the sum of (a) all scheduled

 Reducing Commitment reductions under Section 2.1(b) during such period, (b) all
 principal payments required to be made by the Borrowers and their Subsidiaries
 on Total Debt, other than the Loans, but including, without limitation, Seller
 Debt and Capitalized

Lease Obligations, during such period, and (c) all cash interest payments on, and fees in respect of, Total Debt, and all fees in respect of the Letters of Credit, required to be made by the Borrowers and their Subsidiaries during such period.

"Default Interest Rate" means a rate of interest equal to the sum of

 the Base Rate plus 3.5% per annum.

"Discount Rate" means, with respect to a prepayment or conversion of a

 LIBOR Loan on a date other than the last day of its Interest Period, a rate equal to the interest rate (as of the date of prepayment or conversion) on United States Treasury obligations in a like amount as such Loan and with a maturity approximately equal to the period between the prepayment or conversion date and the last day of the Interest Period of such Loan, as determined by the Administrative Agent.

"Environmental Claim" means, with respect to any Person, any written

 or oral notice, claim, demand, request for information, citation, summons, order or other communication (each, a "claim") by any other Person alleging or

 asserting the liability of the recipient of such claim for investigatory costs, cleanup costs, governmental response costs, damages to natural resources or other property or health, personal injuries, fines or penalties arising out of, based on or resulting from (a) the presence or Release of any Hazardous Material at or from any location, whether or not owned by such Person, or (b) any violation, or alleged violation, of any Environmental Law. The term "Environmental Claim" shall include, without limitation, any claim by any governmental authority for enforcement, cleanup, removal, response, remedial or other actions or damages pursuant to any applicable Environmental Law, and any claim by any third party seeking damages, contribution, indemnification, cost recovery, compensation or injunctive relief resulting from the presence or Release of Hazardous Materials or arising from alleged injury or threat of injury to health, safety or the environment.

"Environmental Laws" means all provisions of law, statutes,

 ordinances, rules, regulations, permits, licenses, judgments, writs, injunctions, decrees, orders, awards and standards promulgated by the government of the United States of America or by any state or municipality thereof or by any court, agency, instrumentality, regulatory authority or commission of any of the foregoing regulating, relating to or imposing liability or a standard of conduct concerning the environment or regulating the emission, release or discharge of substances into the environment.

"ERISA" means the Employee Retirement Income Security Act of 1974, as

 amended, and the regulations thereunder.

"Event of Default" means any of the events specified in Section 9.

"Excess Cash Flow" means, as of any date of determination, Operating

 Cash Flow for the four quarter period then most recently ended less the sum
 (without duplication) of (a) all Debt Service incurred by the Borrowers and
 their Subsidiaries in such period, (b) income taxes incurred by the Borrowers
 and their Subsidiaries in such period, (c) Capital Expenditures, excluding
 proceeds of casualty insurance policies reasonably and promptly applied to
 replace insured assets, paid in cash by the Borrowers and their Subsidiaries
 during such fiscal year to the extent permitted pursuant to Section 8.7, (d)
 Capitalized Lease Obligation payments made by the Borrowers and their
 Subsidiaries during such period to the extent permitted pursuant to Section 8.6,
 (e) Capital Distributions made by CCI to the extent permitted pursuant to
 Section 8.9(a)(ii) or (iii), and (f) the excess, if any, in Working Capital of
 the Borrowers and their Subsidiaries as of the end of such fiscal year over the
 Working Capital of the Borrowers and their Subsidiaries as of the end of the
 prior fiscal year.

"Extraordinary Items" means, to the extent deducted in calculating Net

 Earnings, (a) gains or losses from sales, exchanges and other dispositions of
 property not in the ordinary course of business and (b) gains or losses from
 sales, exchanges and other dispositions of any Tower, Land Lease Agreement or
 management agreement in respect of a Tower, all on an after tax basis.

"FCC" means the Federal Communications Commission or any governmental

 authority at any time substituted therefor.

"FAA" means the Federal Aviation Administration or any governmental

 authority at any time substituted therefor.

"Fee Letter" means the letter agreement among the Administrative

 Agent, the Syndication Agent and the Borrowers dated as of October 31, 1997,
 regarding certain fees.

"Fixed Charge Coverage Ratio" means, as of any date of determination,

 the ratio of Operating Cash Flow for the four quarter period then ended or most
 recently ended as of such date to Historical Fixed Charges as of such date.

"GAAP" means generally accepted accounting principles in effect from

 time to time in the United States, consistently applied.

"Guarantor" means one who pledges its credit or property in any

 manner, or otherwise becomes responsible for the payment or other performance of
 the indebtedness, contract or other obligation of another Person and includes
 (without limitation) any guarantor (whether of payment or of collection),
 surety, co-maker, endorser or one who agrees conditionally or otherwise to make
 any purchase, loan or investment in order thereby to enable another to prevent
 or correct a default of any kind and one who has endorsed (otherwise than for
 collection or deposit in the ordinary course of business), or has discounted
 with recourse or agreed (contingently or otherwise) to purchase or repurchase or
 otherwise acquire or become liable for, any Indebtedness or who has entered into
 any agreement for the purchase or other acquisition of any product, materials or
 supplies, or for the making of shipments, or for the payment for services, if in
 any such case payment therefor is to be made regardless of the nondelivery of
 the product, materials or supplies or the non-furnishing of the services.

"Hazardous Material" means, collectively, (a) any petroleum or

 petroleum products, flammable materials, explosives, radioactive materials,
 asbestos, urea formaldehyde foam insulation, and transformers or other equipment
 that contain polychlorinated biphenyls ("PCBs"), (b) any chemicals or other

 materials or substances that are now or hereafter become defined as or included
 in the definition of "hazardous substances", "hazardous wastes", "hazardous
 materials", "extremely hazardous wastes", "restricted hazardous wastes", "toxic
 substances", "toxic pollutants", "contaminants", "pollutants" or words of
 similar import under any Environmental Law and (c) any other chemical or other
 material or substance, exposure to which is now or hereafter prohibited, limited
 or regulated under any Environmental Law.

"Historical Fixed Charges" means, as of any date of determination, the

 sum (without duplication) of the aggregate amount of (a) all Debt Service
 payments made by the Borrowers and their Subsidiaries during the four quarter
 period then ended or most recently ended, (b) Capital Expenditures made by the
 Borrowers and their Subsidiaries during such four quarter period, (c) income
 taxes incurred by the Borrowers and their Subsidiaries during such four quarter
 period and (d) Capital Distributions made by CCI during such four quarter
 period.

"Holdco" means Crown Castle International Corp., a Delaware corporation which owns all of the issued and outstanding capital stock of CCI.

"Holdco Guaranty" has the meaning assigned to it in Section 6.6(a).

"Holdco Pledge Agreement" has the meaning assigned to it in Section 6.3(a).

"Indebtedness" of any Person means, without duplication, (a) all obligations of such Person for borrowed money or with respect to deposits or advances of any kind, (b) all obligations of such person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person upon which interest charges are customarily paid, (d) all obligations of such Person under conditional sale or other title retention agreements relating to assets purchased by such Person, (e) all obligations of such Person issued or assumed as the deferred purchase price of property or services (excluding trade accounts payable and accrued expenses arising in the ordinary course of business and not more than ninety days past due), (f) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such Person, whether or not the obligations secured thereby have been assumed by such Person, (g) all obligations or liabilities in respect of which such Person is a Guarantor, (h) all Capitalized Lease Obligations of such Person, (i) all Rate Hedging Obligations, and (j) all obligations of such Person as an account party to reimburse any bank or any other Person in respect of letters of credit (including the Letters of Credit) or bankers' acceptances. The Indebtedness of any Person shall include any recourse Indebtedness of any partnership in which such Person is a general partner.

"Indenture" means the Indenture dated as of November 25, 1997, between Holdco and United States Trust Company of New York in respect of Holdco's 10 5/8% Senior Discount Notes due 2007.

"Interest Expense" means, for any period, the gross interest expense incurred by the Borrowers and their Subsidiaries in respect of their Indebtedness for such period (including, without limitation, amortization of debt issuance costs and original issue discount, non-cash interest payments, the interest component of any deferred payment obligations, the interest component of all payments associated with Capitalized Lease Obligations, commissions,

discounts and other fees and charges incurred in respect of letter of credit or bankers' acceptance financings, and net payments (if any) pursuant to Rate Hedging Obligations), determined on a consolidated basis, all fees payable under Section 2.6 or the Fee Letter and any other fees, charges, commissions and discounts in respect of Indebtedness, including fees payable in connection with the Letters of Credit. For purposes of the foregoing, gross interest expense shall be determined after giving effect to any net payments made or received by the Borrowers with respect to Rate Hedging Obligations.

"Interest Period" means, with respect to any LIBOR Loan, a period of

 one, two or three months, selected by the Borrowers, commencing on the date such Loan is made, continued or converted and ending on the last day of such period. Whenever the last day of an Interest Period would otherwise occur on a day other than a Banking Day, the last day of such Interest Period shall occur on the next succeeding Banking Day; provided, however, that if such extension of time would

 cause the last day of such Interest Period to occur in the next calendar month, the last day of such Interest Period shall occur on the next preceding Banking Day; and provided, further, that if the first day of an Interest Period is the

 last Banking Day of a month or a day for which there is no numerically corresponding day in the appropriate subsequent calendar month, then such Interest Period shall end on the last Banking Day of the appropriate subsequent calendar month. The Borrowers shall not select any Interest Period which extends beyond any date on which a payment is required to be made pursuant to Section 2.1(b) or Section 2.5(b)(i) unless the sum of the amount available to be drawn under the Reducing Commitment plus the aggregate principal balance of all Base Rate Loans and all LIBOR Loans with Interest Periods ending prior to such date is at least equal to the maximum amount that is required to be paid on such date.

"Issuing Bank" means Key Corporate Capital Inc. in its capacity as the

 issuer of the Letters of Credit, or any successor issuer of the Letters of Credit. The Issuing Bank may, in its discretion, arrange for one or more Letters of Credit to be issued by Affiliates of the Issuing Bank, in which case the term "Issuing Bank" shall include any such Affiliate with respect to Letters of Credit issued by such Affiliate.

"Land Lease Agreement" means each lease for real property on which a

 Borrower or one of their Subsidiaries owns, operates or maintains a Tower.

"Letters of Credit" has the meaning assigned to it in Section 2.1(d).

"Leverage Ratio" means, as of any date of determination, the ratio of

 Total Debt as of such date to Test Operating Cash Flow as of such date.

"LIBOR" means the average (rounded upward to the nearest 1/16th of 1%)

 of the per annum rates at which deposits in immediately available funds in
 United States dollars for the relevant Interest Period and in the amount of the
 LIBOR Loan to be disbursed or to remain outstanding during such Interest Period,
 as the case may be, are offered to the Administrative Agent by prime banks in
 any Eurodollar market reasonably selected by the Administrative Agent,
 determined as of 11:00 a.m. London time (or as soon thereafter as practicable),
 two Banking Days prior to the beginning of the relevant Interest Period.

"LIBOR Loans" means those Reducing Loans described in Section 2.1 on

 which the Borrowers shall pay interest at a rate based on the applicable LIBOR
 Rate.

"LIBOR Prepayment Premium" means, with respect to the prepayment or

 conversion of any LIBOR Loan or any other receipt or recovery of any LIBOR Loan
 prior to the end of the applicable Interest Period, whether by voluntary
 prepayment, acceleration, conversion to a Base Rate Loan or otherwise, an amount
 equal to the sum of (a) the product of (i) the excess, if any, of the rate of
 interest then applicable to such Loan pursuant to Section 3.1 at the time of
 such prepayment or conversion over LIBOR calculated as of such date, multiplied
 by (ii) the principal amount so prepaid, converted or accelerated, as the case
 may be, multiplied by (iii) a fraction, the numerator of which is the number of
 days remaining in the related Interest Period and the denominator of which is
 360 (taking into consideration the applicable compounding for the frequency of
 installment payments of the Loans being prepaid), plus (b) out-of-pocket costs
 and expenses incurred by the Banks and the Administrative Agent with respect to
 such prepayment.

"LIBOR Rate" means a rate per annum equal to the quotient obtained

 (rounded upwards, if necessary, to the nearest 1/100th of 1%) by dividing (a)
 the applicable LIBOR by (b) 1.00 minus the LIBOR Reserve Percentage.

"LIBOR Reserve Percentage" means for any day that percentage

 (expressed as a decimal) which is in effect on such day, as prescribed by the
 Board of Governors of the

Federal Reserve System (or any successor) for determining the maximum reserve requirement (including, without limitation, all basic, supplemental, marginal and other reserves and taking into account any transitional adjustments or other scheduled changes in reserve requirements) for a member bank of the Federal Reserve System in respect of Eurocurrency Liabilities (as that term is defined in Regulation D of the Board of Governors of the Federal Reserve System, as in effect from time to time). The LIBOR Rate shall be adjusted automatically on and as of the effective date of any change in the LIBOR Reserve Percentage.

"License" means any license, authorization, permit, consent, franchise

ordinance, registration, certificate, agreement or other right filed with, granted by, or entered into by a federal, state or local governmental authority which permits or authorizes the construction or maintenance of a Tower or the use of a Tower for wireless communications.

"Licensing Authority" means a governmental authority which has granted

a License.

"Lien" as applied to the property of any Person means: (a) any

mortgage, lien, pledge, charge, lease constituting a Capitalized Lease Obligation, conditional sale or other title retention agreement, or other security interest or encumbrance of any kind in respect of any property of such Person, or upon the income or profits therefrom; (b) any arrangement, express or implied, under which any property of such Person is transferred, sequestered or otherwise identified for the purpose of subjecting the same to the payment of Indebtedness in priority to the payment of the general, unsecured creditors of such person; (c) the filing of, or any agreement to give, any financing statement under the Uniform Commercial Code or its equivalent of any jurisdiction in respect of Indebtedness; and (d) in the case of securities or other equity interests, any purchase option, call or similar right of a third party with respect to such securities or other equity interests.

"Loans" means the Reducing Loans, including all amounts drawn under

any Letter of Credit (which amounts shall be deemed to be Reducing Loans) and not repaid.

"Material Adverse Effect" means a material adverse effect upon or

change in (a) the properties, assets, business, operations, financial condition, prospects, liabilities or capitalization of Holdco, either Borrower or

any Subsidiary of either Borrower or on the ability of either Borrower or any Subsidiary of either Borrower to conduct its business or to own or maintain its Material Towers, (b) the ability of Holdco, either Borrower, any of their Subsidiaries or any other party to a Collateral Document (other than the Administrative Agent and the Banks) to perform its obligations hereunder or under any other Collateral Document to which it is a party, (c) the validity or enforceability of this Agreement, any Note or any other Collateral Document, or (d) the rights or remedies of the Administrative Agent or the Banks under this Agreement, the Notes or any other Collateral Document or at law or in equity or the value of any material collateral granted to the Administrative Agent, for the benefit of the Banks, pursuant to any Collateral Document.

"Material Towers" means, as of any date of determination, any Tower or

any group or set of Towers wheresoever located to which more than 10% of the Operating Cash Flow for any of the immediately prior four fiscal quarters is attributable.

"Mortgages" has the meaning assigned to it in Section 6.4(a).

"Net Earnings" means the consolidated net income (or deficit) of the

Borrowers and their Subsidiaries for the period involved, after taxes, if any, and after all proper charges and reserves (excluding, however, Extraordinary Items), all as determined in accordance with GAAP.

"Notes" means the Reducing Notes and any notes issued in connection

with the issuance of a Letter of Credit.

"Obligation" means any obligation of the Borrowers (a) to pay to the

Banks the principal of and interest on the Loans and the Notes in accordance with the terms hereof and thereof, including, without limitation, any interest accruing after the date of any filing by either Borrower or any of their Subsidiaries of any petition in bankruptcy or the commencing of any bankruptcy, insolvency or similar proceedings with respect to either Borrower or any of their Subsidiaries, regardless of whether such interest is allowable as a claim in any such proceeding; (b) in respect of the contingent liability of the Borrowers under all outstanding Letters of Credit; (c) in respect of any Rate Hedging Obligations owing to any Bank or any Affiliate of any Bank; (d) to pay, satisfy or perform any other agreement, liability or obligation of either Borrower or any other Person to the Administrative Agent or any Bank,

arising under this Agreement or any Collateral Document, whether now existing or hereafter incurred by reason of future advances or otherwise, matured or unmatured, direct or contingent, joint or several, including any extensions, modifications or renewals thereof and substitutions therefor, and including without limitation all fees, indemnification amounts, costs and expenses, including interest thereon and reasonable attorneys' fees, incurred by the Administrative Agent or any Bank for the protection and preservation or enforcement of its rights and remedies arising hereunder or under the Collateral Documents; (e) to repay to the Administrative Agent and the Banks all amounts advanced at any time by the Administrative Agent or the Banks hereunder or under any Collateral Document, including, without limitation, advances for principal or interest payments to prior secured parties, mortgagees, or lienors or other Persons, or for taxes, levies, insurance, rent or repairs to, or maintenance or storage of, any of the property of either Borrower or of any of their Subsidiaries; (f) to perform any covenant or agreement made with the Administrative Agent or the Banks pursuant to this Agreement or any Collateral Document; (g) to take any other action in respect of any other liability of any nature of either Borrower or any of their Subsidiaries to the Administrative Agent or the Banks under this Agreement or any Collateral Document; or (h) any renewal, continuation or extension of any of the foregoing.

"Offering Memorandum" means the Offering Memorandum dated November 20, -----
1997, of Holdco relating to its 10 5/8% Senior Discount Notes due 2007.

"Operating Cash Flow" means, with respect to the Borrowers for any -----
period, the Net Earnings for such period plus (a) provision for taxes based on income or profits of the Borrowers and their Subsidiaries for such period, to the extent that such provision for taxes was included in computing such Net Earnings, plus (b) Interest Expense of the Borrowers and their Subsidiaries for such period, whether paid or accrued and whether or not capitalized (including, without limitation, amortization of debt issuance costs and original issue discount, non-cash interest payments, the interest component of any deferred payment obligations, the interest component of all payments associated with Capitalized Lease Obligations, commissions, discounts and other fees and charges incurred in respect of letter of credit or bankers' acceptance financings, and net payments (if any) pursuant to Rate Hedging Obligations), to the extent that any such expense was deducted in computing such Net Earnings, plus (c) depreciation, amortization (including amortization of goodwill and other intangibles)

and other non-cash expenses (excluding any such non-cash expense to the extent that it represents an accrual of or reserve for cash expenses in any future period) of the Borrowers and their Subsidiaries for such period to the extent that such depreciation, amortization and other non-cash expenses were deducted in computing such Net Earnings, minus (d) non-cash items increasing such Net Earnings for such period (excluding any items that were accrued in the ordinary course of business), in each case on a consolidated basis and determined in accordance with GAAP. For purposes of calculating Operating Cash Flow for any period, each Qualified Acquisition and each sale or other disposition of any Towers and related assets, whether by purchase or sale of stock or assets, which occurs during such period, shall be deemed to have occurred on the first day of such period; accordingly, the operating cash flow received by the seller of the Towers and related assets, or of a management agreement in respect thereof, acquired pursuant to each Qualified Acquisition shall be included for the entire period and the Operating Cash Flow relating to any Towers and related assets, or of a management agreement in respect thereof, sold or otherwise disposed of during such period shall be excluded from the calculation of Operating Cash Flow for the entire period.

"PBGC" means the Pension Benefit Guaranty Corporation or any

 governmental authority at any time substituted therefor.

"Pension Plan" means an employee pension benefit plan as defined in

 Section 3(2) of ERISA which is subject to the provisions of Section 302 or Title IV of ERISA or Section 412 of the Code.

"Permitted Lien" means any of the following Liens:

(a) Liens for taxes or assessments and similar charges, which are either not delinquent or being contested diligently and in good faith by appropriate proceedings, and as to which the affected Borrower or Subsidiary has set aside adequate reserves on its books and which do not entail any risk of loss, forfeiture, foreclosure or sale of the property subject thereto;

(b) statutory Liens, such as mechanic's, materialman's, warehouseman's, landlord's, artisan's, workman's, contractor's, carrier's or other like Liens, (i) incurred in good faith in the ordinary course of business, (ii) which are either not delinquent or are being contested diligently and in good faith by appropriate proceedings, (iii) as to which the affected Borrower or Subsidiary has

set aside adequate reserves upon its books or bonded satisfactorily to the Administrative Agent and (iv) which do not entail any risk of loss, forfeiture, foreclosure or sale of the property subject thereto;

(c) encumbrances consisting of zoning restrictions, easements, licenses, reservations, provisions, covenants, conditions, waivers, restrictions on the use of property or minor irregularities of title, provided that none of -----
such encumbrances materially impairs the use or value of any property in the operation of the affected Borrower's or Subsidiary's business;

(d) Liens securing conditional sale, rental or purchase money obligations permitted under Section 8.4, but only in the property which is the subject of such obligations;

(e) Liens arising under or pursuant to this Agreement or any Collateral Document or otherwise securing any Obligation;

(f) Liens in respect of judgments or awards with respect to which the affected Borrower or Subsidiary is, in good faith, prosecuting an appeal or proceeding for review and with respect to which a stay of execution upon such appeal or proceeding for review has been secured, and as to which judgments or awards the affected Borrower or Subsidiary has established adequate reserves on its books or has bonded in a manner satisfactory to the Administrative Agent;

(g) pledges or deposits made in the ordinary course of business to secure payment of worker's compensation, or to participate in any fund in connection with worker's compensation, unemployment insurance, old-age pensions or other social security programs;

(h) Liens granted to secure the performance of letters of credit, bids, tenders, contracts, leases, public or statutory obligations, surety, customs, appeal and performance bonds and other similar obligations to the extent permitted herein and not incurred in connection with the borrowing of money, the obtaining of advances or the payment of the deferred purchase price of any property; and

(i) any other Liens listed on Exhibit F hereto or to which the -----
Required Banks have consented in writing.

"Person" includes natural persons, governmental agencies and

 authorities, corporations, business trusts, associations, companies, limited liability companies, joint ventures and partnerships.

"Plan" means any employee benefit plan, as defined under Section 3(3)

 of ERISA, established or maintained by either Borrower or any member of the Controlled Group or any such Plan to which either Borrower or any member of the Controlled Group is, or in the last six years was, required to contribute on behalf of its employees.

"Pledge Agreements" means the Holdco Pledge Agreement, the CCI Pledge

 Agreement and the Subsidiary Pledge Agreement.

"Possible Default" means an event, condition, situation or thing which

 constitutes, or which with the lapse of any applicable grace period or the giving of notice or both would constitute, an Event of Default.

"Projected Debt Service" means, as of any date of determination, the

 sum of (a) all scheduled Reducing Commitment reductions under Section 2.1(b) during the four quarter period following the end of the fiscal quarter then most recently ended, (b) all principal payments required to be made by the Borrowers and their Subsidiaries on Total Debt, other than the Loans, but including, without limitation, Seller Debt and Capitalized Lease Obligations, during such subsequent four quarter period, and (c) all Interest Expense and fees on Total Debt to be incurred by the Borrowers and their Subsidiaries during such subsequent four quarter period. In calculating Projected Debt Service, (i) the interest rate applicable during such subsequent four quarter period to any Indebtedness which does not bear interest at a rate which is fixed (either by its terms or pursuant to an agreement regarding Rate Hedging Obligations) for the entire subsequent period shall be deemed to be the interest rate in effect as of the date of determination, and (ii) it shall be assumed that the principal amount of Loans outstanding as of the date of determination will be outstanding for the subsequent four quarter period subject to any required commitment reductions.

"Purchase Price", in respect of any Qualified Acquisition (whether of

 assets, stock or other equity interests), means the total consideration payable in connection with such acquisition, whether payable in cash, by a note or other property, or by the assumption of indebtedness and including all forms of deferred

compensation, such as non-compete agreements, consulting agreements and the like.

"Qualified Acquisition" has the meaning assigned to it in Section

8.10(b).

"Quarterly Date" means the last day of each March, June, September and

December.

"Ratable Share" means, with respect to any Bank, its pro rata share of

the Reducing Commitment, the Letters of Credit or the Loans. As of the date of this Agreement, the Ratable Shares of the Banks shall be as listed on Schedule 1.1 attached hereto.

"Rate Hedging Obligations" means any and all obligations of the

Borrowers, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor), under (a) any and all agreements, devices or arrangements designed to protect the Borrowers from the fluctuations of interest rates, including, but not limited to, interest rate exchange or swap agreements and interest rate cap or collar protection agreements, and (b) any and all cancellations, buy backs, reversals, terminations or assignments of any of the foregoing.

"Reducing Commitment" has the meaning assigned to it in Section

2.1(a).

"Reducing Loans" has the meaning assigned to it in Section 2.1(a).

"Reducing Notes" has the meaning assigned to it in Section 2.3.

"Regulatory Change" means the adoption of or any change in federal,

state or local treaties, laws, rules, regulations or policies or the adoption of or change in any interpretations, guidelines, directives or requests of or under any federal, state or local treaties, laws, rules, regulations or policies (whether or not having the force of law) by any court, governmental authority, central bank or comparable agency charged with the interpretation or administration thereof.

"Release" shall mean any release, spill, emission, leaking, pumping,

injection, deposit, disposal, discharge, dispersal, leaching or migration into the indoor or outdoor environment, including, without limitation, the movement of

Hazardous Materials through ambient air, soil, surface water, ground water, wetlands, land or subsurface strata.

"Reportable Event" means a reportable event as that term is defined in

 Title IV of ERISA, excluding, however, such events as to which the PBGC by regulation has waived the requirement of Section 4043(a) of ERISA that it be notified within thirty days of the occurrence of such event (provided that a

 failure to meet the minimum funding standard of Section 412 of the Code and of Section 302 of ERISA shall be a Reportable Event regardless of the issuance of any such waivers in accordance with Section 412(d) of the Code).

"Required Banks" means, at any time, Banks holding at least 66 2/3% of

 the then aggregate unpaid principal amount of the Notes and the stated amount of the outstanding Letters of Credit, or, if no principal amount of the Notes or any Letter of Credit is then outstanding, Banks having at least 66 2/3% of the Reducing Commitment.

"Security Agreements" means the Borrowers Security Agreement and the

 Subsidiary Security Agreement.

"Seller Debt" has the meaning assigned to it in Section 8.10(b).

"Southpointe Lease" means the Lease dated January 5, 1998, between

 Southpointe Corporate Centers, Ltd. and CCI with respect to property located at 375 Southpointe Boulevard, Cecil Township, Washington County, Pennsylvania.

"Spectrum" means Spectrum Site Management Corporation, a Delaware

 corporation which is a wholly owned Subsidiary of CCI.

"Subsidiary" means, with respect to any Person, each partnership,

 corporation or limited liability company, the majority of the outstanding partnership interests, capital stock, membership interests or voting power of which is (or upon the exercise of all outstanding warrants, options and other rights would be) owned, directly or indirectly, at the time in question by such Person.

"Subsidiary Guaranty" has the meaning assigned to it in Section

 6.6(b).

"Subsidiary Pledge Agreement" has the meaning assigned to it in

 Section 6.3(c).

"Subsidiary Security Agreement" has the meaning assigned to it in

Section 6.2(b).

"TEA" means TEA Group Incorporated, a Georgia corporation which is a

wholly owned Subsidiary of CCI.

"TeleStructures" means TeleStructures, Inc., a Georgia corporation

which is a wholly owned Subsidiary of TEA.

"Termination Date" means December 31, 2004.

"Test Operating Cash Flow" means, as of any date, the sum of (a)

Operating Cash Flow for the four quarter period then ended or then most recently ended less that portion of such Operating Cash Flow which is attributable to the leasing or licensing of space on Towers, and (b) the product of four times that portion of Operating Cash Flow for the quarter then ended or most recently ended which is attributable to the leasing or licensing of space on Towers.

"Total Debt" means, without duplication, (a) all Indebtedness of the

Borrowers and their Subsidiaries for borrowed money, including the Loans, all Capitalized Lease Obligations of the Borrowers and their Subsidiaries, all other Indebtedness of the Borrowers and their Subsidiaries represented by notes or drafts representing extensions of credit for borrowed money, all other Indebtedness of other Persons for which either Borrower or any of their Subsidiaries is a Guarantor, all obligations of the Borrowers and their Subsidiaries evidenced by bonds, debentures, notes or other similar instruments (including all such obligations to which any property or asset owned by a Borrower or any Subsidiary of a Borrower is subject, whether or not the obligation secured thereby shall have been assumed) and all obligations of either Borrower or any of their Subsidiaries as an account party to reimburse any bank or any other Person in respect of letters of credit (other than the Letters of Credit) or bankers' acceptances, plus (b) each of the following items of Indebtedness to the extent such Indebtedness has a maturity date, or requires a principal payment, prior to the Termination Date: all Indebtedness for borrowed money of Holdco, all other Indebtedness of Holdco represented by notes or drafts representing extensions of credit for borrowed money, all obligations evidenced by bonds, debentures, notes or other similar instruments of Holdco and all obligations of Holdco as an account party to reimburse any bank or any other Person in respect of letters of credit or bankers' acceptances.

"Towers" means the wireless communications towers owned or leased by

 the Borrowers and their Subsidiaries or which are subject to a management agreement to which either Borrower or a Subsidiary of a Borrower is a party.

"Working Capital" means, as of any date, the excess of the Borrowers'

 and their Subsidiaries' combined current assets, other than cash, over their combined current liabilities, other than the current portion of long term debt, as of such date.

1.2 Other Terms. Except as otherwise specifically provided in this

 Agreement, each term not otherwise expressly defined herein which is defined in the Uniform Commercial Code, as amended (the "UCC"), as adopted in any applicable jurisdiction, shall have the meaning assigned to it in the UCC in effect in such jurisdiction. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. All references herein to Sections, Exhibits or Schedules shall be deemed to be references to Sections of, and Exhibits and Schedules to, this Agreement unless the context shall otherwise require. Whenever any agreement, promissory note or other instrument or document is defined in this Agreement or any Collateral Document, such definition shall be deemed to mean and include, from and after the date of any amendment, restatement or modification thereof, such agreement, promissory note or other instrument or document as so amended, restated or modified. All terms defined in this Agreement in the singular shall have comparable meanings when used in the plural and vice versa. 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.

1.3 Accounting Terms; Income Taxes. All accounting terms used in

 this Agreement which are not expressly defined herein shall have the respective meanings given to them in accordance with GAAP, all computations shall be made in accordance with GAAP, and all balance sheets and other financial statements shall be prepared in accordance with GAAP. All financial or accounting calculations or determinations required pursuant to this Agreement unless otherwise expressly provided shall be made on a consolidated basis for the Borrowers and their Subsidiaries. The term "income tax" as used herein shall be deemed to include the earned surplus element of the franchise tax imposed by the State of Texas on income allocated to Texas.

SECTION 2. THE LOANS.

2.1 The Reducing Commitment and the Reducing Loans.

(a) Subject to the terms and conditions hereof, during the period from the Closing Date up to but not including the Termination Date, the Banks severally, but not jointly, shall make loans to the Borrowers in such amounts as the Borrowers may from time to time request but not exceeding in aggregate principal amount at any one time outstanding \$100,000,000 (as such amount may be reduced from time to time, the "Reducing Commitment"); provided,

however, that in no event shall the aggregate principal amount of such loans

plus the aggregate stated amount of the Letters of Credit exceed the Reducing Commitment. All amounts borrowed by the Borrowers pursuant to this Section 2.1(a) and all amounts drawn under any Letter of Credit and not repaid may be referred to hereinafter collectively as the "Reducing Loans." Each Reducing Loan requested by the Borrowers shall be funded by the Banks in accordance with their Ratable Shares of the requested Reducing Loan. A Bank shall not be obligated hereunder to make any additional Reducing Loan if immediately after making such Reducing Loan, the aggregate principal balance of all Reducing Loans made by such Bank plus such Bank's Ratable Share of any outstanding Letters of Credit would exceed such Bank's Ratable Share of the Reducing Commitment. The Reducing Loans may be comprised of Base Rate Loans or LIBOR Loans, as provided in Section 2.2.

(b) On each date set forth in the table below, the Reducing Commitment shall automatically reduce by the amount set forth for such date in such table:

Calendar Year	March 31	June 30	September 30	December 31
2001	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000
2002	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000
2003	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000
2004	\$5,000,000	\$5,000,000	\$5,000,000	all remaining principal

(c) Prior to the Termination Date, the Borrowers may, at their option, from time to time prepay all or any portion of the Reducing Loans, subject to the provisions of Section 2.5, and the Borrowers may reborrow from time to time hereunder amounts so paid up to the amount of the Reducing Commitment in effect at the time of reborrowing.

(d) Letters of Credit.

(i) Issuance. Subject to the terms and conditions hereof,

including the provisions of Section 6, the Borrowers may request that the Issuing Bank issue, from time to time during the period from the Closing Date through the date that is thirty days prior to the Termination Date, and the Issuing Bank agrees to issue, from time to time, letters of credit in an aggregate stated amount not exceeding \$5,000,000 (the "Letters of Credit"). No Letter of Credit shall be issued for a term of more than three hundred sixty-four days, and no Letter of Credit shall have an expiration date which is later than the Termination Date. No Letter of Credit shall be issued if after giving effect to such issuance, the sum of the outstanding principal balance of the Reducing Loans (including amounts drawn on Letters of Credit and not repaid), plus the aggregate stated amount of outstanding Letters of Credit, would exceed the Reducing Commitment. Each Letter of Credit shall be issued in the manner and on the conditions set forth in this Section 2.1(d) and Section 6. Each Letter of Credit shall be in the Issuing Bank's standard form for letters of credit or in such other form as is acceptable to the Issuing Bank in form and substance.

(ii) Application. Each request for a Letter of Credit shall be

made to the Issuing Bank by an application on the Issuing Bank's standard form or in such other manner as the Issuing Bank may approve. Promptly following the issuance of any Letter of Credit, the Issuing Bank shall notify the Administrative Agent and the Banks of such issuance.

(iii) Participation by the Banks.

(A) By the issuance of a Letter of Credit and without any further action on the part of the Issuing Bank, the Administrative Agent or the other Banks in respect thereof, the Issuing Bank hereby grants to each other Bank, and each other Bank hereby agrees to acquire from the Issuing Bank, a participation in such Letter of Credit equal to such Bank's Ratable Share of the stated amount of such Letter of Credit, effective upon the issuance

of such Letter of Credit; provided, however, that no Bank shall be required to

acquire participations in any Letter of Credit that would result in its Ratable Share of the sum of outstanding Reducing Loans plus the stated amount of all outstanding Letters of Credit to be greater than its Ratable Share of the Reducing Commitment. In consideration and in furtherance of the foregoing, each Bank hereby absolutely and unconditionally agrees to pay to the Administrative Agent, for the account of the Issuing Bank, in accordance with Section 2.1(d)(iv), such Bank's Ratable Share of each amount disbursed pursuant to a Letter of Credit; provided, that payment by the Issuing Bank under such Letter

of Credit against presentation of such draft or document shall not have constituted gross negligence or willful misconduct of the Issuing Bank.

(B) Each Bank acknowledges and agrees that its obligation to acquire participations pursuant to paragraph (A) above in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstances whatsoever, including the occurrence and continuance of an Event of Default or Possible Default, or the reduction or termination of the Reducing Commitment, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever.

(iv) Letter of Credit Disbursements.

(A) If the Administrative Agent has not received from the Borrowers the payment permitted pursuant to paragraph (B) of this Section 2.1(d)(iv) by 11:00 a.m., Cleveland time, on the date on which the Issuing Bank has notified the Borrowers that payment of a draft presented under any Letter of Credit will be made, as provided in such paragraph (B), the Administrative Agent shall promptly notify the Issuing Bank and each other Bank of the disbursement to be made under such Letter of Credit and, in the case of each Bank, its Ratable Share of such disbursement. Each Bank shall pay to the Administrative Agent, not later than 1:00 P.M., Cleveland time, on such date (or, if the Issuing Bank shall elect to defer reimbursement from the Banks hereunder, such later date as the Issuing Bank shall specify by notice to the Administrative Agent and the Banks), such Bank's Ratable Share of such disbursement, which the Administrative Agent shall promptly pay to the Issuing Bank. The Administrative Agent will promptly remit to each Bank its share of any amount subsequently received by the Administrative Agent from the Borrowers in respect of such disbursement; provided that amounts so received for the account of any Bank

prior

to payment by such Bank of amounts required to be paid by it hereunder in respect of any disbursement shall be remitted to the Issuing Bank.

(B) If the Issuing Bank shall receive any draft presented under any Letter of Credit, the Issuing Bank shall give notice thereof as provided in paragraph (C) below. If the Issuing Bank shall pay any draft presented under a Letter of Credit, the Borrowers may (but shall not be required to) pay to the Administrative Agent, for the account of the Issuing Bank, an amount equal to the amount of such draft before 11:00 A.M., Cleveland time, on the Banking Day on which the Issuing Bank shall have notified the Borrowers that payment of such draft will be made. The Administrative Agent will promptly pay any such amounts received by it to the Issuing Bank.

(C) The Issuing Bank shall, promptly following its receipt thereof, examine all documents purporting to represent a demand for payment under a Letter of Credit to ascertain that the same appear on their face to be in substantial conformity with the terms and conditions of such Letter of Credit. The Issuing Bank shall as promptly as reasonably practicable give oral notification, confirmed in writing, to the Administrative Agent and the Borrowers of such demand for payment and the determination by the Issuing Bank as to whether such demand for payment was in accordance with the terms and conditions of such Letter of Credit and whether the Issuing Bank has made or will make a disbursement thereunder, provided that the failure to give such notice shall not relieve the Borrowers of their obligation to reimburse such disbursement, and the Administrative Agent shall promptly give each Bank notice thereof.

(D) Any amounts paid by the Issuing Bank on any Letter of Credit shall be deemed to be a Reducing Loan for all purposes of this Agreement and shall bear interest from the date of payment by the Issuing Bank at the rates provided in Section 3.1 until paid in full.

(v) Obligation to Repay Letter of Credit Disbursements, etc. The

Borrowers assume all risks in connection with the Letters of Credit and the Borrowers' obligation to repay each disbursement under a Letter of Credit shall be absolute, unconditional and irrevocable under any and all circumstances and irrespective of:

(A) any lack of validity or enforceability of any Letter of Credit;

(B) the existence of any claim, setoff, defense or other right which the Borrowers or any other person may at any time have against the beneficiary under any Letter of Credit, the Administrative Agent, the Issuing Bank or any other Bank (other than the defense of payment in accordance with the terms of this Agreement or a defense based on the gross negligence or willful misconduct of the Issuing Bank) or any other Person in connection with this Agreement or any other agreement or transaction;

(C) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect; and

(D) any other circumstance or event whatsoever, whether or not similar to any of the foregoing.

It is understood that in making any payment under a Letter of Credit (I) the Issuing Bank's exclusive reliance as to any and all matters set forth therein, including reliance on the amount of any draft presented under such Letter of Credit, whether or not the amount due to the beneficiary equals the amount of such draft and whether or not any documents presented pursuant to such Letter of Credit prove to be insufficient in any respect, if such document on its face appears to be in order, and whether or not any such Letter of Credit proves to be forged or invalid or any statement therein proves to be inaccurate or untrue in any respect whatsoever and (II) any noncompliance in any immaterial respect of the documents presented under a Letter of Credit with the terms thereof, shall, in each case, not be deemed willful misconduct or gross negligence of the Issuing Bank.

(vi) Indemnification. The Borrowers jointly and severally shall:

(A) indemnify and hold the Administrative Agent and each Bank (including the Issuing Bank) harmless from any loss resulting from any claim, demand or liability which may be asserted against the Administrative Agent or such Bank in connection with actions taken under any Letter of Credit, and (B) reimburse the Administrative Agent or such Bank for any fees or other reasonable expenses paid or incurred by the Administrative Agent or such Bank in connection with any Letter of Credit, other than any loss or expense resulting from the Administrative Agent's or such Bank's willful misconduct or gross negligence.

(vii) Security. Upon the occurrence of any Event of Default,

the Borrowers shall, upon demand, pay to the Issuing Bank the stated amount of all outstanding Letters of Credit, which amount the Issuing Bank shall hold as security for the obligations incurred under the Letters of Credit, this Agreement and the Notes. The payment by the Borrowers of such security shall not terminate the obligations of the Borrowers under this Section 2.1(d).

(viii) Additional Costs. If any Regulatory Change shall either

(A) impose upon, modify, require, make or deem applicable to the Issuing Bank, the Administrative Agent or any Bank (or its holding company) any reserve requirement, special deposit requirement, insurance assessment or similar requirement against or affecting any Letter of Credit issued or to be issued hereunder, or (B) subject the Issuing Bank, the Administrative Agent or any Bank to any tax, charge, fee, deduction or withholding of any kind whatsoever, or (C) impose any condition upon or cause in any manner the addition of any supplement to or increase of any kind to the Issuing Bank's, the Administrative Agent's or any Bank's (or its holding company's) capital or cost base for issuing such Letter of Credit which results in an increase in the capital requirement supporting such Letter of Credit, or (D) impose upon, modify, require, make or deem applicable to the Issuing Bank, the Administrative Agent or any Bank (or its holding company) any capital requirement, increased capital requirement or similar requirement such as the deeming of such Letters of Credit to be assets held by the Issuing Bank, the Administrative Agent or such Bank (or its holding company) for capital calculation or other purposes and the result of any events referred to in (A), (B), (C) or (D) above shall be to increase the costs or decrease the benefit in any way to the Issuing Bank, the Administrative Agent or a Bank (or its holding company) of issuing, maintaining or participating in such Letters of Credit, then and in such event the Borrowers shall, within ten days after the mailing of written notice of such increased costs and/or decreased benefits to the Administrative Agent and the Borrowers, pay to the Issuing Bank, the Administrative Agent or such Bank all such additional amounts which in the Issuing Bank's, the Administrative Agent's or such Bank's sole good faith calculation as allocated to such Letters of Credit, shall be sufficient to compensate it (or its holding company) for all such increased costs and/or decreased benefits. The Issuing Bank's, the Administrative Agent's or such Bank's calculation shall be conclusive absent manifest error.

(ix) Fees. Each Letter of Credit shall be issued for a fee

equal to the product of the Applicable

Margin applicable to LIBOR Loans as of the date of issuance thereof times the stated amount thereof, payable upon issuance. The fee shall be payable to the Administrative Agent for the benefit of the Banks in accordance with their Ratable Shares. If any Letter of Credit is drawn upon prior to its expiration date, the Banks shall reimburse to the Borrowers that portion of the fee allocable to the period from the date of the draw to the expiration date, calculated in accordance with the Issuing Bank's standard letter of credit procedures. In addition, the Borrowers shall pay to the Issuing Bank for its own account its standard charges for the issuance of letters of credit and for draws upon letters of credit, which charges, as of the date hereof, are as follows: (i) \$200 per Letter of Credit, payable upon issuance and (ii) \$100 per Letter of Credit, payable upon a draw under such Letter of Credit.

(e) At any time prior to the Termination Date, by written notice to the Administrative Agent no later than 11:00 A.M. Cleveland, Ohio time five Banking Days prior to such termination or reduction, the Borrowers may permanently terminate, or from time to time permanently reduce, the Reducing Commitment. Such notice shall be in writing or by telephonic communication confirmed by telecopy or other facsimile transmission on the same day as such telephone notice. Any such partial reduction hereunder shall be in an amount which is not less than \$2,500,000 or an integral multiple of \$1,000,000 in excess thereof. The Administrative Agent shall notify the Banks of any such reduction or termination of the Reducing Commitment.

(f) All Reducing Loans, together with all interest accrued thereon, shall be paid in full no later than the Termination Date.

(g) All reductions of the Reducing Commitment pursuant to Section 2.1(e), 2.5(c) or any other provision of this Agreement shall be permanent reductions, and the Reducing Commitment shall not be increased.

2.2 Making and Conversion/Continuation of the Loans.

(a) Making of the Loans.

(i) Each Reducing Loan shall be made by the Banks in such amount as the Borrowers shall request, provided that each borrowing shall be in -----
 an amount which is a minimum of (A), with respect to any LIBOR Loan, \$1,000,000, and integral multiples of \$500,000 in excess thereof, and (B) with respect to any Base Rate Loan,

\$500,000 and integral multiples of \$250,000 in excess thereof or such lesser amount as may be equal to the then unused portion of the Reducing Commitment. The obligation of the Banks to make any Loan is conditioned upon (x) the fact that no Possible Default or Event of Default shall then exist or immediately after the Loan would exist; (y) the fact that all of the Collateral Documents shall still be in full force and effect; and (z) the fact that the representations and warranties contained herein and in the Collateral Documents shall be true and correct in all material respects as if made on and as of the date of such borrowing, except to the extent that any thereof expressly relate to an earlier date.

(ii) Subject to the satisfaction of the conditions set forth in Section 6, Loans shall be effected at the principal banking office of the Administrative Agent in Cleveland, Ohio, and shall be made at such times as the Borrowers may request by notice to the Administrative Agent no later than 11:00 A.M. Cleveland, Ohio time (A) three Banking Days prior to the date of a requested LIBOR Loan and (B) one Banking Day prior to the date of a requested Base Rate Loan. Such notices shall be in writing, or by telephonic communication confirmed by telecopy or other facsimile transmission on the same day as the telephone request, and shall specify the proposed date and the amount of the requested Loan, whether it is to bear interest initially at an interest rate based on the Base Rate or the LIBOR Rate, and the Interest Period thereof, if applicable. Notwithstanding anything to the contrary contained herein, prior to September 30, 1998, the Borrowers shall not elect an Interest Period of longer than one month in respect of any LIBOR Loan.

(iii) Upon receipt of each borrowing notice for a Reducing Loan, the Administrative Agent shall promptly notify each Bank of the type, Interest Period, if applicable, amount and date of the proposed borrowing or conversion. Not later than 11:00 A.M. Cleveland time, on the date of a proposed borrowing of a Reducing Loan, each Bank shall provide the Administrative Agent at its address specified in Section 12.4 hereof with immediately available funds covering such Bank's Ratable Share of the borrowing, and the Administrative Agent shall pay over such immediately available funds to the Borrowers.

(b) Conversion/Continuation of the Loans. At the Borrowers'

election pursuant to notice given to the Administrative Agent not later than 11:00 A.M. Cleveland, Ohio time three Banking Days prior to such conversion or continuation, any Base Rate Loan may be converted to, or any

LIBOR Loan may be continued as, as the case may be, a LIBOR Loan as requested by the Borrowers; provided, however, that each conversion and continuation shall be

 in an amount which is a minimum of \$1,000,000, and integral multiples of \$500,000 in excess thereof; and provided, further, that no Loan may be

 continued as or converted to a LIBOR Loan at any time that an Event of Default or Possible Default exists. If the Borrowers have not timely delivered to the Administrative Agent such notice with respect to any terminating Interest Period, the affected LIBOR Loan shall convert to a Base Rate Loan at the end of such Interest Period.

(c) Number of Interest Rate Options. In no event shall the

 Borrowers have more than five LIBOR Loans outstanding at any time.

2.3 The Notes. All Reducing Loans shall be evidenced by separate

 amended and restated promissory notes payable to the Banks substantially in the form attached hereto as Exhibit A to be duly executed and delivered by the

 Borrowers at or prior to the Closing in the principal amount of the Reducing Commitment (the "Notes"). The Banks may, and are hereby authorized by the Borrowers to, set forth on the grids attached to the Notes, or in other comparable records maintained by them, the amount of each Loan, all payments and prepayments of principal and interest received, the current outstanding principal balance, and other appropriate information. The aggregate unpaid amount of any Loan set forth in any records maintained by a Bank with respect to a Note shall be presumptive evidence of the principal amount owing and unpaid on such Note. Failure of a Bank to record the principal amount of any Loan on the grid(s) attached to a Note shall not limit or otherwise affect the obligation of the Borrowers hereunder or under such Note to repay the principal amount of such Loan and all interest accruing thereon.

2.4 Fees.

(a) Commitment Fees. The Borrowers shall pay to the

 Administrative Agent for the benefit of the Banks a non-refundable commitment fee of 1/2% per annum (based on a year having 360 days and actual days elapsed) on the excess of the aggregate average undisbursed amount of the Reducing Commitment for any period over the aggregate stated amount of the Letters of Credit then outstanding; provided, however, that the commitment fee shall be

 1/4% per annum for any period during which the Leverage Ratio is less than or equal to 3.5 to 1.0. Such commitment fee shall (i) commence to accrue as of the date hereof and continue to and

including the Termination Date, (ii) be determined by the Administrative Agent quarterly, and upon the making of each Loan in an amount in excess of \$5,000,000, based on the financial statements and the Compliance Certificate delivered to the Banks pursuant to Sections 7.5(b) and (c) (in the case of a quarterly determination) and the compliance certificate delivered pursuant to Section 6.12(b) (in the case of the determination of the commitment fees upon the making of a Loan), (iii) be in addition to any other fee required by the terms and conditions of this Agreement, (iv) be payable quarterly in arrears on each Quarterly Date and on the date the Reducing Commitment is terminated, and (v) be shared by the Banks in accordance with their Ratable Shares.

(b) Other Fees. The Borrowers shall pay to the Administrative

Agent and the Syndication Agent such other fees as are set forth in the Fee Letter.

2.5 Prepayment.

(a) Voluntary Prepayments. By notice to the Administrative Agent

(which shall be in writing or by telephonic communication confirmed by telecopy or other facsimile transmission on the same day as such telephone notice) no later than 11:00 A.M. Cleveland, Ohio time on the Banking Day prior to such prepayment (with respect to any Base Rate Loan) or on the third Banking Day prior to such prepayment (with respect to any LIBOR Loan), the Borrowers may, at their option, prepay the Reducing Loans in whole at any time or in part from time to time without penalty or premium (except as provided in Section 2.5(d)); provided, however, that each partial prepayment of the Reducing Loans shall be

in the aggregate principal amount of not less than \$500,000 or an integral multiple of \$250,000 in excess thereof.

(b) Mandatory Prepayments.

(i) Reduction of Reducing Commitment. If at any time the

sum of the outstanding principal amount of the Reducing Loans plus the stated amount of all outstanding Letters of Credit exceeds the Reducing Commitment, the Borrowers shall immediately prepay the Reducing Loans, without penalty or premium (except that any such prepayment of any LIBOR Loan shall be made together with the applicable LIBOR Prepayment Premium), in an amount necessary to cause the sum of the outstanding principal amount of the Reducing Loans plus the stated amount of all outstanding Letters of Credit not to exceed the Reducing

Commitment. All accrued interest on the amount prepaid shall be paid with the prepayment.

(ii) Excess Cash Flow. Within one hundred twenty days

after the end of each fiscal year of the Borrowers, commencing with the fiscal year ending on December 31, 2000, the Borrowers shall make a mandatory prepayment of the Loans in an amount equal to the Applicable Percentage of Excess Cash Flow, if any, for such fiscal year. Mandatory prepayments made pursuant to this Section 2.5(b)(ii) shall be determined from the annual financial statements for such fiscal year delivered by the Borrowers pursuant to Section 7.5(a) and shall be accompanied by a certificate signed by CCI's chief financial officer setting forth the calculations from which the amount of such prepayment was determined.

(iii) Asset Sales. Immediately upon receipt by either

Borrower or any of their Subsidiaries of cash proceeds of any Asset Sale, the Borrowers shall immediately make a mandatory prepayment of the Loans in an amount equal to such cash proceeds, net of any costs directly incurred in connection with such Asset Sale and any taxes reasonably estimated to be payable in connection with such Asset Sale as certified by CCI's chief financial officer. Together with such prepayment, the Borrowers shall deliver to the Administrative Agent a certificate executed by CCI's chief financial officer setting forth the calculation of the net cash proceeds of such Asset Sale.

(iv) Unapplied Insurance Proceeds. Within 180 days from

the date of receipt of any cash payments under any insurance policy maintained by either Borrower or any of their Subsidiaries which have not been reinvested in productive assets of a kind then used or usable in the business of the Borrowers or their Subsidiaries or used to maintain the business of the Borrowers or their Subsidiaries as going concerns, the Borrowers shall make a mandatory prepayment of the Loans in the amount of such unreinvested or unused proceeds, net of any costs directly incurred in connection with receiving payment of such proceeds and any taxes reasonably estimated to be payable in connection with such receipt as certified by CCI's chief financial officer; provided, however, that upon and during the continuance of any Event of Default

or Possible Default all such insurance proceeds received by either Borrower or any Subsidiary shall be applied as a prepayment of the Loans.

(v) Net Equity and Debt Proceeds. If CCI receives any

capital contribution from Holdco which

Holdco is required to make to CCI pursuant to the Amended and Restated Holdco Guaranty, it shall, within five days of receipt of such capital contribution, make a mandatory prepayment of the Loans in an amount equal to such capital contribution; provided, however, that if, as of the date of such capital

contribution, (A) the Leverage Ratio is less than 6.0 to 1.0 and (B) either Borrower is a party to a legally binding acquisition agreement for a Qualified Acquisition permitted pursuant to Section 8.10(b), then the Borrowers may use the proceeds of such capital contribution to pay the purchase price of such Qualified Acquisition.

(c) Application of Prepayments.

(i) Application to LIBOR Prepayment Premium, Accrued

Interest and Principal. All prepayments made pursuant to this Section 2.5 shall be applied as follows: first, to any LIBOR Prepayment Premium then due, then to accrued interest and then to the outstanding principal of the Loans. For purposes of the calculation of interest and the determination of whether any LIBOR Prepayment Premium is due in connection with any such prepayment, such principal prepayments shall be applied first to the Base Rate Loans and then to the LIBOR Loans with the shortest remaining Interest Periods.

(ii) Application to the Reducing Loans and the Reducing

Commitment. Any mandatory prepayment of the Reducing Loans (other than pursuant to Section 2.5(b)(i)) shall cause the Reducing Commitment to be immediately and automatically reduced by the amount of such prepayment, and each such mandatory reduction shall be applied to the subsequent Reducing Commitment reductions set forth in Section 2.1(b) in the inverse order of maturity; provided, however, that any mandatory prepayment pursuant to Section 2.5(b)(v) made on or before December 31, 2000, shall not cause the Reducing Commitment to be reduced.

(d) LIBOR Prepayment Premium. The Borrowers shall pay to the

Administrative Agent, for the benefit of the Banks, the applicable LIBOR Prepayment Premium upon any prepayment or conversion (whether voluntary or involuntary) of any LIBOR Loan not made on the last day of the applicable Interest Period.

2.6 Reserves or Deposit Requirements, Etc. If at any time any

Regulatory Change (including without limitation, any change in Regulation D of the Board of Governors of the Federal Reserve System) shall impose any reserve and/or special deposit requirement (other than reserves included in the LIBOR Reserve Percentage, the

effect of which is reflected in the interest rate of any LIBOR Loan) against assets held by, or deposits in or for the amount of any loans by, any Bank, and the result of the foregoing is to increase the cost (whether by incurring a cost or adding to a cost) to such Bank of taking or maintaining hereunder any LIBOR Loan or to reduce the amount of principal, interest or fees received by such Bank with respect to any such Loan, then such Bank shall notify the Borrowers and the Administrative Agent of such occurrence. Thereafter, within ten days after written demand by such Bank, the Borrowers shall pay to such Bank additional amounts sufficient to compensate and indemnify such Bank for such increased cost or reduced amount. A statement as to the increased cost or reduced amount as a result of any event mentioned in this Section shall be submitted by such Bank to the Administrative Agent and to the Borrowers and shall, in the absence of manifest error, be conclusive and binding as to the amount thereof.

2.7 Tax Law, Increased Costs, Etc. In the event that by reason of

any Regulatory Change, any Bank shall, with respect to this Agreement or any transaction under this Agreement, be subjected to any tax, levy, impost, charge, fee, duty, deduction or withholding of any kind whatsoever (other than any tax imposed upon the net income of such Bank and other than changes in franchise taxes), and if any such measure or any other similar measure shall result in an increase in the costs to such Bank of making or maintaining any LIBOR Loan or in a reduction in the amount of principal or interest ultimately receivable by such Bank in respect of such Loan, then such Bank shall notify the Borrowers and the Administrative Agent stating the reasons therefor. The Borrowers shall thereafter pay to such Bank within ten days after written demand such additional amounts as will compensate such Bank for such increased cost or reduced amount. A statement as to any such increased cost or reduced amount shall be submitted by such Bank to the Administrative Agent and to the Borrowers and shall, in the absence of manifest error, be conclusive and binding as to the amount thereof.

2.8 Eurodollar Deposits Unavailable or Interest Rate Unascertainable.

If any Bank determines that dollar deposits of the relevant amount for the relevant Interest Period are not available to it in the applicable Eurodollar market or if the Administrative Agent determines that, by reason of circumstances affecting such market, adequate and reasonable means do not exist for ascertaining the LIBOR Rate applicable to such Interest Period, or if any Bank determines that the LIBOR Rate does not adequately reflect the cost to such Bank of making such Loan, as the case may

be, the Administrative Agent or such Bank shall promptly give notice of such determination to the Administrative Agent and to the Borrowers, and any request for a new LIBOR Loan or notice of conversion of an existing Loan to a LIBOR Loan given thereafter or previously given by the Borrowers and not yet made or converted shall be deemed a notice to make a Base Rate Loan.

2.9 Changes in Law Rendering LIBOR Loans Unlawful. If at any time

 any Regulatory Change shall make it unlawful for any Bank to fund any LIBOR Loan which it has committed to make hereunder with moneys obtained in the applicable Eurodollar market, such Bank shall notify the Administrative Agent and the Borrowers, and the obligation of the Banks to fund such Loan shall, upon the happening of such event, forthwith be suspended for the duration of such illegality. If any such change makes it unlawful for any Bank to continue in effect the funding in the applicable Eurodollar market of any LIBOR Loan previously made by it hereunder, such Bank shall, upon the happening of such event, notify the Administrative Agent and the Borrowers thereof in writing stating the reasons therefor, and the Borrowers shall, on the earlier of (a) the last day of the then current Interest Period or (b) if required by such Regulatory Change on such date as shall be specified in such notice, either convert all such Loans to Base Rate Loans or prepay all such Loans in full.

2.10 Funding. Any Bank may, but shall not be required to, make LIBOR

 Loans hereunder with funds obtained outside the United States.

2.11 Indemnity. Without prejudice to any other provisions of

 Sections 2.8 through 2.12 or to the obligation of the Borrowers to pay the LIBOR Prepayment Premium pursuant to Section 2.5(d), the Borrowers, jointly and severally, hereby agree to indemnify the Administrative Agent and each Bank against any loss or expense which the Administrative Agent or any Bank may sustain or incur as a consequence of the Borrowers' failure to borrow any LIBOR Loan requested pursuant to this Agreement, or the Borrowers' failure to continue any LIBOR Loan or convert any Base Rate Loan to a LIBOR Loan, in either case after notice of such continuation or conversion shall have been given to the Administrative Agent pursuant to Section 2.2(b), or any default by the Borrowers in payment when due of any amount due hereunder in respect of any LIBOR Loan or any prepayment or conversion by the Borrowers of a LIBOR Loan prior to the end of its Interest Period, whether voluntarily or as required pursuant to the terms hereof, including, but not limited to, any premium or penalty incurred by such Bank in

respect of funds borrowed by it for the purpose of making or maintaining such Loan, as determined by such Bank; provided, however, that such indemnification

 shall be net of any LIBOR Prepayment Premium received by such Bank in respect of any such action or inaction of the Borrowers. A statement as to any such loss or expense shall be submitted by such Bank to the Administrative Agent and the Borrowers for payment under the aforesaid indemnification, which statement shall, in the absence of manifest error, be conclusive and binding as to the amount thereof.

2.12 Capital Adequacy. If any Bank shall determine that any

 Regulatory Change regarding capital adequacy or compliance by such Bank (or its lending office) with any request or directive regarding capital adequacy (whether or not having the force of law) of any governmental authority, central bank or comparable agency has or would have the effect of reducing the rate of return on such Bank's capital (or on the capital of such Bank's holding company) as a consequence of its obligations hereunder to a level below that which such Bank (or its holding company) could have achieved but for such Regulatory Change or compliance (taking into consideration such Bank's policies or the policies of its holding company with respect to capital adequacy) by an amount which such Bank deems to be material, then from time to time, within ten days after demand by such Bank, the Borrowers shall pay to such Bank such additional amount or amounts as will compensate such Bank (or its holding company) for such reduction. A certificate of such Bank claiming compensation under this Section and setting forth the additional amount or amounts to be paid to it hereunder shall be conclusive in the absence of manifest error. In determining such amount, such Bank may use any reasonable averaging and attribution methods. Failure on the part of any Bank to demand compensation for any reduction in return on capital with respect to any period shall not constitute a waiver of such Bank's rights to demand compensation for any reduction in return on capital in such period or in any other period. The protection of this Section shall be available to each Bank regardless of any possible contention of the invalidity or inapplicability of the law, regulation or other condition which shall have been imposed.

2.13 Taxes. All sums payable by the Borrowers hereunder or under the

 Notes or in respect of the Letters of Credit, whether of principal, interest, fees, expenses or otherwise, shall be paid in full, free of any deductions or withholdings for any and all present and future taxes, levies, imposts, stamps, duties, fees, assessments, deductions, withholdings, and other governmental charges and

all liabilities with respect thereto (collectively referred to as "Taxes"). If

 the Borrowers are prohibited by law from making payments hereunder or under the Notes or in respect of the Letters of Credit free of such deductions or withholdings, then the Borrowers shall pay such additional amount as may be necessary in order that the actual amount received by the Banks after such deduction or withholding shall equal the full amount stated to be payable hereunder or under the Notes or in respect of the Letters of Credit. The Borrowers shall pay directly to all appropriate taxing authorities any and all present and future Taxes, and all liabilities with respect thereto imposed by law or by any taxing authority on or with regard to any aspect of the transactions contemplated by this Agreement or the execution and delivery of this Agreement or the Notes or the issuance of the Letters of Credit, except for any Taxes or other liabilities that the Borrowers are contesting in good faith by appropriate proceedings, provided that the Borrowers, jointly and severally,

 hereby indemnify the Administrative Agent and each of the Banks and hold them harmless from and against any and all liabilities, fees or additional expense with respect to or resulting from any delay in paying, or omission to pay, Taxes. Within thirty days after the payment by the Borrowers of any Taxes, the Borrowers shall furnish the Administrative Agent with the original or a certified copy of the receipt evidencing payment thereof, together with any other information the Administrative Agent may reasonably require to establish to its satisfaction that full and timely payment of such Taxes has been made. Each Bank shall notify the Borrowers and the Administrative Agent of any payment of Taxes required or requested of it and shall give due consideration to any advice or recommendation given in response thereto by the Borrowers, and upon notice from the Administrative Agent or any Bank that Taxes or any liability relating thereto (including penalties and interest) have been paid, the Borrowers shall pay or reimburse the Administrative Agent or the paying Bank therefor within ten days of such notice. Without prejudice to the survival of any other agreement of the Borrowers hereunder, the agreements and obligations of the Borrowers contained in this Section shall survive the payment in full of principal and interest hereunder and under the Notes.

SECTION 3. INTEREST; PAYMENTS.

 3.1 Interest.

 (a) Subject to Section 3.1(c), prior to maturity, LIBOR Loans shall bear interest at the LIBOR Rate

plus the Applicable Margin and Base Rate Loans shall bear interest at the Base Rate plus the Applicable Margin.

(b) The Applicable Margin shall be determined by the Administrative Agent quarterly, and upon the making of each Loan in an amount in excess of \$5,000,000, based on the financial statements and the Compliance Certificate delivered to the Banks pursuant to Sections 7.5(b) and (c) (in the case of a quarterly determination) and the compliance certificate delivered pursuant to Section 6.12(b) (in the case of the determination of the Applicable Margin upon the making of a Loan). Any change in the interest rate on the Loans due to a change in the Applicable Margin shall be effective on the fifth Banking Day after delivery of such financial statements or compliance certificate; provided,

however, that if any such quarterly financial statements and Compliance

 Certificate indicate an increase in the Applicable Margin and such financial statements and certificate are not provided within the time period required in Section 7.5(b), the increase in the interest rate due to such increase in the Applicable Margin shall be effective retroactively as of the fifth Banking Day after the date on which such financial statements and certificate were due. The Borrowers shall deliver to the Banks with each set of quarterly financial statements which indicate a change in the Applicable Margin a notice with respect to such change, which notice shall set forth the calculation of, and the supporting evidence for, such change.

(c) Upon the occurrence of any Event of Default, the entire outstanding principal amount of each Loan and (to the extent permitted by law) unpaid interest thereon and all other amounts due hereunder shall bear interest, from the date of occurrence of such Event of Default until the earlier of the date such Loan is paid in full and the date on which such Event of Default is cured or waived in writing, at the Default Interest Rate which shall be payable upon demand.

(d) Interest shall be computed on a Three Hundred Sixty day year basis calculated for the actual number of days elapsed. Interest accrued on each Base Rate Loan shall be paid quarterly in arrears on each Quarterly Date after the date hereof until such Loan is paid in full and on the date such Loan is paid in full, and interest accrued on each LIBOR Loan shall be paid on the last day of the Interest Period thereof and on the date such Loan is paid in full.

(e) The rate of interest payable on any Note from time to time shall in no event exceed the maximum rate, if any, permissible under applicable law. If the rate of interest payable on any Note is ever reduced as a result of the preceding sentence and at any time thereafter the maximum rate permitted by applicable law shall exceed the rate of interest provided for on such Note, then the rate provided for on such Note shall be increased to the maximum rate permitted by applicable law for such period as is required so that the total amount of interest received by the holder of such Note is that which would have been received by such holder but for the operation of the preceding sentence.

3.2 Manner of Payments.

(a) Prior to each Quarterly Date and the end of each Interest Period, the Administrative Agent shall render a statement to the Borrowers of all amounts due to the Banks for principal, interest and fees hereunder. All amounts listed on each such statement shall be due and payable on the Quarterly Date or, as the case may be, the last day of such Interest Period, in respect of which such statement was sent. As to all other Obligations which become due and payable other than on a fixed date by their terms, the Administrative Agent shall advise the Borrowers by a written statement that they are due and payable, and the Borrowers shall pay the same within ten days of receipt of such statement. If any amounts are not paid by the Borrowers when due and payable, such amounts shall bear interest at the Default Interest Rate, and the Banks may then charge any account of the Borrowers for such Obligation in the amount due to the Banks. Any failure by the Administrative Agent to render any such statement or give any such advice shall in no way relieve the Borrowers of any liability for or obligation to pay any amount due and payable hereunder.

(b) Whenever any payment to be made hereunder, including without limitation any payment to be made on a Note, shall be stated to be due on a day which is not a Banking Day, such payment may be made on the next succeeding Banking Day, and such extension of time shall in each case be included in the computation of the interest payable on such Note.

(c) Unless otherwise provided in this Agreement, all payments or prepayments made or due hereunder or under the Notes shall be made in immediately available funds by federal funds wire transfer, and without setoff, deduction or counterclaim, to the Administrative Agent prior

to 11:00 A.M., Cleveland time, on the date when due, at its offices at 127 Public Square, Cleveland, Ohio 44114, or at such other place as may be designated by the Administrative Agent. Funds received after 11:00 A.M., Cleveland time, shall be deemed to have been received on the next Banking Day. To the extent any such payment is made for the ratable benefit of the Banks, the Administrative Agent shall promptly distribute such payment to the Banks in accordance with their respective Ratable Shares.

SECTION 4. CLOSING.

The closing of the transactions contemplated by this Agreement shall take place at the offices of Dow, Lohnes & Albertson, PLLC, 1200 New Hampshire Avenue, N.W., Washington, D.C., on or about July 10, 1998, or such other date and place as to which the parties may agree (the "Closing" and the "Closing Date"). Subject to the terms and conditions hereof, upon the fulfillment or waiver in writing of all the conditions precedent set out in Section 6 below, and the delivery to the Administrative Agent of the Notes, this Agreement shall become effective and shall amend and restate in its entirety the Original Agreement, and all obligations and liabilities of the Borrowers under the Original Agreement shall be continued and extended as obligations and liabilities hereunder and shall be evidenced by the Notes. The loans outstanding under the Original Agreement are being converted into Loans under this Agreement evidenced by the Notes. The modifications effected by this Agreement shall not be deemed to provide for or to effect a repayment and re-advance of any of the Indebtedness to the Banks now outstanding, it being the intention of the Borrowers, the Administrative Agent and the Banks that the Indebtedness owing under this Agreement be and is the same Indebtedness as that owing under the Original Agreement immediately prior to the effectiveness hereof. The amount of the Indebtedness from time to time owing under this Agreement which is a continuation of the Indebtedness owing under the Original Agreement shall be deemed, without further designation, to be allocated pro rata among the various Notes. Any and all payments or prepayments of the Indebtedness from time to time owing under this Agreement shall be deemed, without further designation, to be applied first to amounts hereafter advanced or re-advanced pursuant to this Agreement and then to the amounts outstanding under the Original Agreement.

SECTION 5. REPRESENTATIONS AND WARRANTIES OF THE BORROWERS.

To induce the Banks to enter into this Agreement and to make the Loans, the Borrowers, jointly and severally, represent and warrant as follows:

5.1 Organization and Powers. CCI is a corporation, duly organized,

validly existing and in good standing under the laws of the State of Delaware. CCI-PR is a corporation, duly organized, validly existing and in good standing under the laws of Puerto Rico. Each Borrower is duly qualified or registered to conduct business and in good standing under the laws of each jurisdiction in which any Tower is located and of each other jurisdiction in which the character of its business or the ownership of its assets makes such qualification or registration necessary, except where failure to so qualify or register could not reasonably be expected to have a Material Adverse Effect. Each Borrower has all requisite power and authority to own and operate its properties, to carry on its business as now conducted and proposed to be conducted, to enter into this Agreement and the Collateral Documents to which it is a party and all other documents to be executed by it in connection with the transactions contemplated hereby and thereby and to carry out the terms hereof and thereof.

5.2 Authorization. All necessary corporate, stockholder or other

actions on the part of the Borrowers and their Subsidiaries to authorize the execution and delivery of this Agreement and the Collateral Documents, and the performance of the obligations of the Borrowers and their Subsidiaries herein and therein, have been taken. This Agreement and each Collateral Document have been duly authorized and executed and are valid and legally binding upon each of the Borrowers and their Subsidiaries to the extent it is a party thereto, and enforceable in accordance with their respective terms, except to the extent that the enforceability thereof may be limited by bankruptcy, insolvency or like laws affecting creditors rights generally and the availability of equitable remedies.

5.3 Financial Statements. Exhibit B attached hereto contains (a) the

audited financial statements of Castle Tower Corporation as of December 31, 1996, and for the year then ended, (b) the unaudited combined financial statements of Castle Tower Corporation, the Borrowers, and the Borrowers' Subsidiaries, as of September 30, 1997, and for the nine month period then ended, (c) the unaudited combined financial statements of CCI, Crown Network and Crown Mobile as of June 30, 1997, and for the six month

period then ended, and (d) the audited financial statements of TEA as of December 31, 1996, and for the year then ended, in each case including a balance sheet, income statement and statement of cash flows (collectively, the "Financial Statements"). The Financial Statements are true and complete in all material respects, disclose all material contingent liabilities and present fairly the financial condition and results of operations of the Borrowers and their Subsidiaries as of the dates and for the periods indicated and have been prepared in accordance with GAAP, subject in the case of statements for interim periods to normal year-end adjustments and to the absence of footnotes.

5.4 Projections. Exhibit C attached hereto are the Borrowers'

 projections for the calendar years 1998 through 2004. Such projections were prepared on an operating basis. Such projections represent the Borrowers' best estimate of projected future operations as of the date of this Agreement. As of the date hereof, there are no facts which are known to the Borrowers which the Borrowers believe would cause a material adverse change in such projections.

5.5 Capitalization of Holdco and of the Borrowers. The

 capitalization of Holdco and of the Borrowers as of the date hereof is as set forth on Exhibit D attached hereto. Holdco owns all of the issued and

 outstanding capital stock of CCI; CCI owns all of the issued and outstanding capital stock of CCI-PR, Crown Mobile, Crown Network, Spectrum and TEA; and TEA owns all of the issued and outstanding capital stock of TeleStructures. All of the issued and outstanding shares of capital stock of the Borrowers and their Subsidiaries have been duly and validly issued and are fully paid and nonassessable. All of the authorized, issued and outstanding shares of capital stock of the Borrowers and their Subsidiaries are free and clear of any Liens, except as disclosed on Exhibit D, and except for the Liens in favor of the

 Administrative Agent pursuant to the Pledge Agreements. None of such capital stock has been issued in violation of the Securities Act of 1933, as amended, or the securities or "Blue Sky" or any other applicable laws, rules or regulations of any applicable jurisdiction. Except as set forth on Exhibit D, as of the

 date hereof, neither Borrower nor any of their Subsidiaries has any commitment or obligation, either firm or conditional, to issue, deliver, purchase or sell, under any offer, option agreement, bonus agreement, purchase plan, incentive plan, compensation plan, warrant, conversion rights, contingent share agreement, stockholders agreement, partnership agreement or otherwise, any capital stock or

other equity securities or securities convertible into shares of capital stock or other equity securities.

5.6 Subsidiaries. As of the date hereof, CCI-PR has no Subsidiaries.

As of the date hereof, CCI has no Subsidiaries other than the Subsidiaries listed on Exhibit D attached hereto. Each such Subsidiary is a corporation,

duly organized, validly existing and in good standing under the laws of its State of incorporation and is duly qualified and in good standing under the laws of each other jurisdiction in which the character of its business or the ownership of its assets makes such qualification or registration necessary, except where failure to so qualify or register could not reasonably be expected to have a Material Adverse Effect. Each such Subsidiary is a direct or indirect, wholly owned Subsidiary of CCI. Each such Subsidiary has all requisite power and authority to own and operate its properties, to carry on its business as now conducted and proposed to be conducted, to enter into and perform the Collateral Documents to which it is a party and all other documents to be executed by it in connection with the transactions contemplated hereby and thereby and to carry out the terms hereof and thereof.

5.7 Title to Properties; Patents, Trademarks, Etc. Each of the

Borrowers and their Subsidiaries has good and marketable title to all of its material assets, whether real or personal, tangible or intangible, free and clear of any Liens or adverse claims or interests, except Permitted Liens. Each of the Borrowers and their Subsidiaries owns or possesses the valid right to use all the material patents, patent applications, patent and know-how licenses, inventions, technology, permits, trademark registrations and applications, product designs, applications, processes, trademarks, service marks, trade names, copyrights and licenses and rights in respect of the foregoing used or necessary for the conduct of its business, without any known conflict with the rights of others.

5.8 Litigation; Proceedings. Except as disclosed on Exhibit E

attached hereto, there is no action, suit, complaint, proceeding, inquiry or investigation at law or in equity, or by or before any court or governmental instrumentality or agency, nor any order, decree or judgment in effect, now pending or, to the best of the Borrowers' knowledge, threatened against or affecting either Borrower, any of their Subsidiaries, any Material Towers or any of the properties or rights relating to any Material Towers, which could reasonably be expected to have a Material Adverse Effect. Except as disclosed on Exhibit E hereto, there is no application, petition, complaint, proceeding or

investigation pending or, to the best of the Borrowers' knowledge, threatened, with respect to any License or which could restrict in any material manner the ownership, operation or license status of any Material Tower.

5.9 Taxes. All Federal, state and local tax returns, reports and

statements (including, without limitation, those relating to income taxes, withholding, social security and unemployment taxes, sales and use taxes and franchise taxes) required to be filed by either Borrower or any of their Subsidiaries have been properly filed with the appropriate governmental agencies in all jurisdictions in which such returns, reports and statements are required to be filed, which returns, reports and statements are complete and accurate, and all taxes and other impositions due and payable have been timely paid prior to the date on which any fine, penalty, interest, late charge or loss may be added thereto for non-payment thereof. As of the date hereof, neither Borrower nor any of their Subsidiaries has filed with the Internal Revenue Service or any other governmental authority any agreement or other document extending or having the effect of extending the period for assessment or collection of any Federal, state, local or foreign taxes or other impositions. All tax deficiencies asserted or assessments made as a result of any examinations conducted by the Internal Revenue Service or any other governmental authority relating to either Borrower or any of their Subsidiaries have been fully paid or are being contested in accordance with the provisions of Section 7.4. Proper and accurate amounts have been withheld by the Borrowers and their Subsidiaries from their employees for all periods to fully comply with the tax, social security and unemployment withholding provisions of applicable Federal, state, local and foreign law. The charges, accruals and reserves on the books of the Borrowers and their Subsidiaries in respect of any taxes or other governmental charges are adequate.

5.10 Absence of Conflicts. The execution, delivery and performance

of this Agreement and the Collateral Documents and all actions and transactions contemplated hereby and thereby will not (a) violate, be in conflict with, result in a breach of or constitute (with due notice or lapse of time or both) a default under (i) any provision of the Certificate of Incorporation or By-laws of Holdco, either Borrower or any of their Subsidiaries, (ii) any arbitration award or any order of any court or of any other governmental agency or authority, (iii) any License relating to any Material Tower or under which either Borrower or any Subsidiary operates which breach or default of such License could reasonably be expected to have a

Material Adverse Effect, (iv) any applicable law, rule, order or regulation (including without limitation, (A) the Communications Act of 1934, as amended, (B) any rule, regulation or policy of the FCC, the FAA or any other Licensing Authority or (C) Regulations T, U or X of the Board of Governors of the Federal Reserve System) or (v) the Indenture or any material agreement, instrument or document relating to any Material Tower or to which Holdco, either Borrower or any of their Subsidiaries is a party, or by which Holdco, either Borrower or any of their Subsidiaries or any of their respective properties is bound, or (b) result in the creation or imposition of any Lien of any nature whatsoever, other than those Liens arising hereunder or under the Collateral Documents, upon any of the properties of either Borrower or any Subsidiary.

5.11 Indebtedness. Neither Borrower nor any of their Subsidiaries

 has any Indebtedness of any nature, whether due or to become due, absolute, contingent or otherwise, including Indebtedness for taxes and any interest or penalties relating thereto, except (a) liabilities reflected in the Financial Statements, (b) the liability to pay legal and accounting fees and reasonable closing expenses in connection with this Agreement, (c) liabilities disclosed on Exhibit F attached hereto and (d) Indebtedness permitted pursuant to Section

 8.1.

5.12 Compliance. Except as disclosed on Exhibit E attached hereto,

 neither Borrower nor any of their Subsidiaries nor the construction, ownership or operation of any Tower is in violation of any provision of the Articles or Certificate of Incorporation or By-laws of either Borrower or any of their Subsidiaries or any statute, ordinance, law, rule, regulation or order of the United States of America, the FCC, the FAA, or any other federal, state, county, municipal or other governmental agency or authority applicable to it, its properties, the maintenance of any Material Towers or the conduct of its business, which violation could reasonably be expected to have a Material Adverse Effect. Neither Borrower nor any of their Subsidiaries has violated or breached in any material respect the provisions of any material indenture, License, agreement, note, lease or other instrument or document to which it is a party or by which it is bound, nor does there exist any material default, or any event or condition which, upon notice or lapse of time, or both, would become a material default, under any such material indenture, License, agreement, note, lease, or other instrument or document. Each of the Borrowers and their Subsidiaries has the legal right and authority, including without limitation, necessary authorizations from the FCC and the FAA, to

conduct its business as now conducted or proposed to be conducted.

5.13 Statements Not Misleading. No statement, representation or

warranty made by either Borrower or any of their Subsidiaries or any other party (other than the Administrative Agent and the Banks) in or pursuant to this Agreement or the Exhibits attached hereto or any of the Collateral Documents contains or will contain any untrue statement of a material fact, nor omits or will omit to state a material fact necessary to make such statement not misleading or otherwise violates any federal or state securities law, rule or regulation. There is no fact known to the Borrowers (other than matters of a general economic nature) that has had or could reasonably be expected to have a Material Adverse Effect and that has not been disclosed herein.

5.14 Consents or Approvals. No consent, approval or authorization

of, or filing, registration or qualification with, any governmental authority or any other Person (including, without limitation, the FCC, the FAA or any other Licensing Authority) is required to be obtained by Holdco, either Borrower or any of their Subsidiaries in connection with the execution, delivery or performance of this Agreement or any of the Collateral Documents, including, without limitation, in connection with the granting of liens and security interests in the capital stock and assets of the Borrowers and their Subsidiaries, which has not already been obtained or completed, except for the filing of financing statements and the Mortgages and other actions expressly required to be taken pursuant to the Collateral Documents.

5.15 Material Contracts and Commitments. Exhibit G attached hereto

contains a true and complete description of all material contracts and commitments of each Borrower and each of their Subsidiaries as of the Closing Date, whether oral or written, including, without limitation, (a) those governing any Indebtedness; (b) any security agreement, pledge agreement, mortgage or guaranty; (c) management, construction supervision, service or employment agreements, conditional sales contracts or leases of real or personal property, which involve expenditures in excess of \$100,000 in any single case; (d) collective bargaining agreements; (e) contracts or commitments for the future purchase or sale of goods, other than those which involve the payment or receipt of less than \$100,000 in any single case; (f) contracts or commitments which involve a Capital Expenditure in excess of \$100,000 in any single case; (g) bonus, pension, retirement, insurance or other employee

benefit plans; (h) all Licenses; (i) all Land Lease Agreements; and (j) all management agreements. All of the agreements, contracts and commitments listed on Exhibit G are in full force and effect without material default. Exhibit G

further identifies each such contract which requires consent to the granting of a Lien in favor of the Administrative Agent, for the benefit of the Banks, on the rights of the Borrower or Subsidiary which is a party to such contract. The Borrowers have made available to the Administrative Agent true and complete copies of all of the agreements, contracts and commitments listed on Exhibit G.

5.16 Employee Benefit Plans. Exhibit H contains a true and complete

list of all Plans maintained by either Borrower or any member of the Controlled Group. Neither Borrower nor any member of the Controlled Group has any liability, or reasonably anticipates any accrued and unpaid liability, of any kind (including any withdrawal liability under Section 4201 of ERISA) which is in excess, in the aggregate, of \$100,000, to or in respect of any Plan or Benefit Arrangement. With respect to the Plans and Benefit Arrangements currently maintained by the Borrowers or any member of the Controlled Group: (a) each Plan that is intended to be qualified under Code Section 401(a) is so qualified and has been so qualified since its adoption, and each trust forming a part thereof is exempt from tax under Code Section 501(a); (b) each Plan complies in all material respects with all applicable requirements of law, has been administered in accordance with its terms and all required contributions have been made; (c) neither Borrower nor any member of the Controlled Group knows or has reason to know that such Borrower or any member of the Controlled Group has engaged in a transaction which would subject it to any tax, penalty or liability under ERISA or the Code for any prohibited transaction; (d) no Plan is subject to the minimum funding requirements under ERISA Section 302 or Code Section 412, is a multiemployer plan (as defined in ERISA Section 4001(a)(3)), is a defined benefit plan (as defined under ERISA Section 3(35) or Code Section 414(j)), or is a multiple employer plan (as defined in ERISA Section 4063). No Plan or Benefit Arrangement maintained by either Borrower or any member of the Controlled Group is a multiple employer welfare arrangement (as defined in ERISA Section 3(40)).

5.17 Licenses. The Licenses shown on Exhibit G constitute all of the

Licenses which are necessary for the lawful ownership, construction or operation of any Tower or of the business of either Borrower or of any of their Subsidiaries in the manner and to the full extent they are currently owned, constructed and operated. Exhibit G sets forth a correct and complete list of

each pending

application for a License filed by either Borrower or any of their Subsidiaries. All of the Licenses have been duly and validly issued to and are legally held by the Borrowers and their Subsidiaries and are in full force and effect without condition except those of general application. The Licenses have been issued in compliance with all applicable laws and regulations, are legally binding and enforceable in accordance with their terms and are in good standing. The Borrowers know of no facts or conditions which would constitute grounds for any Licensing Authority to deny any pending material application for a License, to suspend, revoke, materially adversely modify or annul any License or to impose a material financial penalty on either Borrower or any of their Subsidiaries.

5.18 Material Restrictions. Neither Borrower nor any of their

Subsidiaries is a party to any agreement or other instrument or subject to any other restriction which materially and adversely affects or could materially and adversely affect its business, property, assets, operations or condition, financial or otherwise.

5.19 Investment Company Act. Neither Borrower (a) is an investment

company as that term is defined in the Investment Company Act of 1940, as amended, (b) directly or indirectly controls or is controlled by a company which is an investment company as that term is defined in such act or (c) is otherwise subject to regulation under such act.

5.20 Absence of Material Adverse Effect. No Material Adverse Effect

has occurred.

5.21 Defaults. No Possible Default or Event of Default now exists or

will exist upon the making of any Loan.

5.22 Real Property. Exhibit I attached hereto lists as of the

Closing Date (a) all real estate owned by either Borrower or any of their Subsidiaries and all leases pursuant to which either Borrower or any of their Subsidiaries has acquired a leasehold interest in real estate, (b) all such leases that have been recorded in the real property records of any jurisdiction, (c) all such owned and leased property for which title insurance or a commitment for title insurance has been obtained and (d) the use of such owned and leased property in such Borrower's or Subsidiary's operations and the Borrowers' good faith estimate of the fair market value of each such owned parcel.

5.23 Securities Laws. No proceeds of any Loan will be used by the

Borrowers or their Subsidiaries to

acquire any security in any transaction which is subject to Section 13 or 14 of the Securities Exchange Act of 1934, as amended. Neither the registration of any security under the Securities Act of 1933, as amended, or the securities laws of any state, nor the qualification of an indenture in respect thereof under the Trust Indenture Act of 1939, as amended, is required in connection with the consummation of this Agreement or the execution and delivery of the Notes.

5.24 Insurance. All policies of insurance of any kind or nature

owned by or issued to either Borrower or any of their Subsidiaries, including, without limitation, policies of fire, theft, public liability, property damage, other casualty, employee fidelity, worker's compensation, employee health and welfare, title, property and liability insurance, comply with the requirements of Section 7.3, are in full force and effect and are of a nature and provide such coverage as is sufficient and as is customarily carried by companies of the size and character of such Borrower or Subsidiary and engaged in a similar business. In the past three years, neither Borrower nor any of their Subsidiaries has been refused insurance for which it applied or had any policy of insurance terminated (other than at its request).

5.25 Labor Disputes. There are no strikes, unfair labor practice

charges or other material labor disputes or grievances pending or, to the best of the Borrowers' knowledge, threatened against either Borrower or any of their Subsidiaries. Neither Borrower nor any of their Subsidiaries has received any written complaints, and has no knowledge of any threatened complaints, nor to the best of the Borrowers' knowledge are any such complaints on file with any Federal, state or local governmental agency, alleging employment discrimination by either Borrower or any of their Subsidiaries. All payments due from either Borrower or any of their Subsidiaries pursuant to the provisions of any collective bargaining agreement have been paid or accrued as a liability on the books of such Borrower or Subsidiary.

5.26 Environmental Compliance.

(a) The Borrowers and their Subsidiaries have obtained all material permits, licenses and other authorizations which are required under all Environmental Laws, are in material compliance with all terms and conditions of all such permits, licenses and authorizations, and are also in material compliance with all other limitations, restrictions, conditions, standards, prohibitions, requirements, obligations, schedules and timetables contained in any applicable Environmental Law or

in any regulation, code, plan, order, decree, judgment, injunction, notice or demand letter issued, entered, promulgated or approved thereunder, including, without limitation, all Environmental Laws in all jurisdictions in which either Borrower or any of their Subsidiaries owns, maintains or manages a Tower, a facility or site, arranges or has arranged for disposal or treatment of Hazardous Materials, solid waste or other wastes, accepts or has accepted for transport any Hazardous Materials, solid waste or other wastes or holds or has held any interest in real property or otherwise.

(b) No Environmental Claim has been issued, no complaint has been filed, no penalty has been assessed and no litigation, proceeding, investigation or review is pending or, to the best of the Borrowers' knowledge, threatened by any Person with respect to any alleged failure by either Borrower or any of their Subsidiaries to comply with any Environmental Law or to have any permit, license or authorization required in connection with the conduct of their respective businesses or with respect to any generation, treatment, storage, recycling, transportation, use, disposal or Release of any Hazardous Materials generated by them or with respect to any real property in which either Borrower or any of their Subsidiaries holds or has held an interest or any past or present operation of either Borrower or any of their Subsidiaries.

(c) There are no Environmental Laws requiring any material work, repairs, construction, Capital Expenditures or other remedial work of any nature whatsoever, with respect to any real property in which either Borrower or any of their Subsidiaries holds or has held an interest or any past or present operation of either Borrower or any of their Subsidiaries.

(d) To the best of the Borrowers' knowledge, neither Borrower nor any of their Subsidiaries has handled any Hazardous Material, on any property now or previously owned or leased by either Borrower or any of their Subsidiaries to an extent that it has, or could reasonably be expected to have, a Material Adverse Effect, and to the best of the Borrowers' knowledge, except as could not reasonably be expected to have a Material Adverse Effect:

(i) no PCBs are present at any property now or previously owned or any premises now or previously leased by either Borrower or any of their Subsidiaries;

(ii) no asbestos is present at any property now or previously owned or any premises now or

previously leased by either Borrower or any of their Subsidiaries;

(iii) no underground storage tanks for Hazardous Materials, active or abandoned, are now or were previously operated at any property now or previously owned by either Borrower or any of their Subsidiaries, and, with respect to premises now or previously leased by either Borrower or any of their Subsidiaries, no underground storage tanks for Hazardous Materials, active or abandoned, are now or were previously operated by either Borrower or any of their Subsidiaries;

(iv) no Hazardous Materials have been Released, in a reportable quantity, where such a quantity has been established by statute, ordinance, rule, regulation or order, at, on or under any property now or previously owned by either Borrower or any of their Subsidiaries; and

(v) no Hazardous Materials have been otherwise Released at, on or under any property now or previously owned or any premises now or previously leased by either Borrower or any of their Subsidiaries.

(e) Neither Borrower nor any of their Subsidiaries has transported or arranged for the transportation of any material amount of Hazardous Material to any location that is listed on the National Priorities List ("NPL") under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("CERCLA"), listed for possible inclusion on the NPL by the Environmental Protection Agency in the Comprehensive Environmental Response and Liability Information System, as provided for by 40 C.F.R. (S)300.5 ("CERCLIS"), or on any similar state or local list or that is the subject of Federal, state or local enforcement actions or other investigations that may lead to any material Environmental Claims against either Borrower or any of their Subsidiaries.

(f) No material amount of Hazardous Material generated by either Borrower or any of their Subsidiaries has been recycled, treated, stored, disposed of or Released by either Borrower or any of their Subsidiaries at any location.

(g) No oral or written notification of a Release of any material amount of a Hazardous Material has been filed by or on behalf of either Borrower or any of their Subsidiaries and no property now, or, to the best of the Borrowers' knowledge, previously, owned or leased by either Borrower or any of their Subsidiaries is listed or

proposed for listing on NPL or on any similar state list of sites requiring investigation or clean-up.

(h) There are no Liens arising under or pursuant to any Environmental Laws on any of the property owned or premises leased by either Borrower or any of their Subsidiaries, and no government actions have been taken or are in process which could subject any of such property to such Liens, and neither Borrower nor any of their Subsidiaries would be required to place any notice or restriction relating to the presence of Hazardous Materials at any property owned by it in any deed to such property.

(i) Neither Borrower nor any of their Subsidiaries has retained or assumed any liabilities (contingent or otherwise) in respect of any Environmental Claims (i) under the terms of any contract or agreement or (ii) by operation of law as a result of merger, consolidation or the sale, exchange or contribution of assets or stock.

(j) There have been no environmental investigations, studies, audits, tests, reviews or other analyses conducted by or which are in the possession of either Borrower or any of their Subsidiaries in relation to any property or facility now or previously owned or leased by either Borrower or any of their Subsidiaries which have not been disclosed in writing and made available to the Banks.

5.27 Solvency. Each Borrower has received, or has the right

hereunder to receive, consideration which is the reasonably equivalent value of the obligations and liabilities that such Borrower has incurred to the Banks. Neither Borrower is insolvent as defined in Section 101 of Title 11 of the United States Code or any applicable state insolvency statute, nor, after giving effect to the consummation of the transactions contemplated herein, will such Borrower be rendered insolvent by the execution and delivery of this Agreement, the Notes or the Collateral Documents to the Banks. Neither Borrower is engaged, and neither Borrower is about to engage, in any business or transaction for which the assets retained by it shall be an unreasonably small capital, taking into consideration the obligations to the Banks incurred hereunder. Neither Borrower intends to, and neither Borrower believes that it will, incur debts beyond its ability to pay them as they mature.

5.28 Indenture and Offering Memorandum.

(a) The Borrowers have provided to the Administrative Agent a complete and correct copy of the Indenture and the notes and other agreements and documents executed and delivered pursuant thereto. All of the representations and warranties of Holdco in the Indenture are true and correct in all material respects as of the date hereof as if given as of the date hereof, and will be true and correct in all material respects as of the Closing Date as if given as of such date, and no default or event of default exists thereunder or will exist after giving effect to the making of any Loan or the issuance of any Letter of Credit hereunder. The Indenture has not been amended or modified, and no provisions thereof have been waived. The making of any Loan hereunder does not and will not constitute a default under the Indenture.

(b) The Borrowers have provided to the Administrative Agent complete and correct copies of the Offering Memorandum relating to the notes issued by Holdco pursuant to the Indenture. No statement, representation or warranty made in the Offering Memorandum contains any untrue statement of a material fact, nor omits to state a material fact necessary to make such statement not misleading in light of the circumstances under which such statement was made, or otherwise violates any federal or state securities laws, rules or regulations.

SECTION 6. CONDITIONS PRECEDENT TO OBLIGATIONS OF THE BANKS.

The obligations of the Banks to make the initial Loans on the Closing Date, to issue any Letter of Credit and to make any subsequent Loan are subject to the fulfillment or waiver in writing of each of the following conditions precedent. The Borrowers shall deliver to the Administrative Agent copies for each Bank of each document, instrument or other item to be delivered pursuant to this Section 6.

6.1 Compliance. All of the representations and warranties of the

Borrowers and their Subsidiaries herein and in the Collateral Documents shall be true in all material respects on and as of the Closing Date, the date of issuance of any Letter of Credit and the date of any subsequent Loan (other than a Loan resulting from the funding of a Letter of Credit), as if made on and as of such date, both before and after giving effect to the making of the proposed loan or the issuance of the proposed Letter of Credit, except to the extent that any thereof expressly

relate to an earlier date, in which case such representations and warranties shall have been true in all material respects as of such earlier date. The Borrowers and their Subsidiaries shall have performed and be in compliance with all the provisions of this Agreement and each Collateral Document, and no Possible Default or Event of Default shall have occurred and be continuing, on and as of the Closing Date and the date of any subsequent Loan (other than a Loan resulting from the funding of a Letter of Credit) or the issuance of a Letter of Credit, before and after giving effect to the making of the proposed Loan or the issuance of the proposed Letter of Credit. On the Closing Date and on the date of each subsequent Loan (other than a Loan resulting from the funding of a Letter of Credit) and the date of issuance of any Letter of Credit, the Borrowers shall deliver to the Banks a certificate, dated as of such date, and signed by the President or the chief financial officer of each Borrower, certifying compliance with the conditions of this Section 6.1. Each request by the Borrowers for a Loan shall, in and of itself, constitute a representation and warranty that the Borrowers, as of the date of such Loan, are in compliance with this Section.

6.2 Security Agreements.

(a) The Borrowers shall have executed and delivered to the Administrative Agent an Amended and Restated Security Agreement in form and substance satisfactory to the Administrative Agent (the "Borrowers Security Agreement"), which amends and restates the security agreement entered into among the Borrowers and the Administrative Agent pursuant to the Original Agreement; and the Borrowers Security Agreement, and the security interests granted pursuant thereto, shall be in full force and effect.

(b) Each Subsidiary of the Borrowers shall have executed and delivered to the Administrative Agent a Security Agreement in form and substance satisfactory to the Administrative Agent (the "Subsidiary Security Agreement"), granting to the Administrative Agent, for the benefit of the Banks, a perfected first priority security interest in substantially all of such Subsidiary's personal property; and the Subsidiary Security Agreement, and the security interests granted pursuant thereto, shall be in full force and effect.

6.3 Pledge Agreements.

(a) Holdco shall have executed and delivered to the Administrative Agent a Pledge Agreement (the "Holdco

Pledge Agreement"), in form and substance satisfactory to the Administrative Agent, granting to the Administrative Agent, for the benefit of the Banks, a perfected, first priority security interest in all of the issued and outstanding shares of capital stock of CCI; and Holdco shall have delivered to the Administrative Agent stock certificates evidencing all of such shares and duly executed blank stock powers in respect thereof and shall have taken all other actions as may be required to effect the grant and perfection of the Administrative Agent's security interest in such stock; and the Holdco Pledge Agreement, and the security interests granted pursuant thereto, shall be in full force and effect.

(b) CCI shall have executed and delivered to the Administrative Agent a Pledge Agreement in form and substance satisfactory to the Administrative Agent (the "CCI Pledge Agreement"), granting to the Administrative Agent, for the benefit of the Banks, a perfected first priority security interest in all of the issued and outstanding capital stock of Spectrum, Crown Network, Crown Mobile, TEA, CCI-PR and each of CCI's other direct Subsidiaries; CCI shall have delivered to the Administrative Agent stock certificates evidencing all of such capital stock and duly executed blank stock powers in respect thereof and shall have taken all actions as may be required to effect the grant and perfection of the Administrative Agent's security interest in such stock; and the CCI Pledge Agreement, and the security interests granted pursuant thereto, shall be in full force and effect.

(c) Each Subsidiary of a Borrower which has a Subsidiary shall have executed and delivered to the Administrative Agent a Pledge Agreement in form and substance satisfactory to the Administrative Agent (the "Subsidiary Pledge Agreement"), granting to the Administrative Agent, for the benefit of the Banks, a perfected first priority security interest in all of the issued and outstanding capital stock of each Subsidiary owned by such Subsidiary; each such Subsidiary shall have delivered to the Administrative Agent stock certificates evidencing all of such capital stock and duly endorsed blank stock powers with respect thereto; each such Subsidiary shall have taken all actions as may be required to effect the grant and perfection of the Administrative Agent's security interest in such capital stock; and the Subsidiary Pledge Agreement, and the security interests granted pursuant thereto, shall be in full force and effect.

6.4 Real Property Matters.

(a) Mortgages. With respect to each parcel of real property

owned by either of the Borrowers or any of their Subsidiaries, to the extent requested by the Administrative Agent, such Borrower or Subsidiary shall (on or prior to the Closing Date with respect to real property owned or to be acquired as of the Closing Date and, with respect to real property thereafter acquired, promptly after acquisition thereof) have executed and delivered a first priority mortgage or deed of trust (or an amendment to, or amendment and restatement of, any mortgage or deed of trust granted pursuant to the Original Agreement), in form and substance satisfactory to the Administrative Agent, covering such parcel of real property. With respect to each parcel of real property leased by either Borrower or any of their Subsidiaries, to the extent requested by the Administrative Agent, such Borrower or Subsidiary shall (on or prior to the Closing Date with respect to leases held or to be acquired as of the Closing Date and, with respect to leases thereafter acquired, promptly after acquisition thereof) have executed and delivered a first priority leasehold mortgage or collateral assignment of lease (or an amendment to, or an amendment and restatement of, any leasehold mortgage or collateral assignment of lease granted pursuant to the Original Agreement), in form and substance satisfactory to the Administrative Agent, covering such leasehold interest. Such mortgages, deeds of trust, leasehold mortgages and collateral assignments of leases (including any amendments thereto) may be referred to hereinafter collectively as the "Mortgages". As of the Closing Date and the date of making any subsequent Loan, Mortgages covering those parcels of owned or leased real property that have either generated on a pro forma basis in the aggregate at least 75% of the gross revenues of the Borrowers and their Subsidiaries for the twelve month period most recently ended prior to the date of such Loan or that individually have generated on a pro forma basis in such period at least \$50,000 of revenues shall have been duly recorded, and the Borrowers shall have paid all taxes, fees or charges incurred in connection with the execution or recording thereof; provided, however, that the Borrowers shall not be required to record any such

Mortgage in respect of any parcel of land owned by the Government of the United States or any agency thereof to the extent the recording of such Mortgage would not be permitted by law. All other Mortgages shall have been delivered to the Administrative Agent in recordable form. The Administrative Agent shall have the right (but shall not be obligated) to file any or all of such other Mortgages at any time after the occurrence of a Possible Default.

(b) Title Insurance.

(i) On or prior to the date of any Loan, except as provided in the following sentence, the Borrowers shall have procured and delivered to the Administrative Agent commitments for ALTA mortgagee's policies of title insurance covering those parcels of owned or leased real property that are subject to Mortgages that have been duly recorded pursuant to Section 6.4(a) and that have either generated on a pro forma basis in the aggregate at least 50% of the gross revenues of the Borrowers and their Subsidiaries for the twelve month period most recently ended prior to the date of such Loan or that individually have generated on a pro forma basis in such period at least \$100,000 of revenues. If the Borrowers have previously delivered to the Administrative Agent a title insurance policy in respect of any such Mortgage pursuant to the Original Agreement, the Borrower may deliver to the Administrative Agent an endorsement to such policy of title insurance reflecting any amendment provided pursuant to Section 6.4(a) and otherwise in form and substance satisfactory to the Administrative Agent.

(ii) Each title insurance policy required pursuant to this Section 6.4(b) shall (A) be issued by a title insurance company satisfactory to the Administrative Agent, (B) be for the benefit of the Administrative Agent on behalf of the Banks, (C) be on Form 1970 if available, or 1984 or 1990 with 1970 Endorsement or state equivalent, (D) be reasonably satisfactory to the Administrative Agent, (E) insure that such Mortgages are valid first mortgage liens on the property covered thereby, and (F) to the extent available and appropriate: (I) insure title to the real property and all recorded easements benefitting such real property, (II) contain a commercial revolving line of credit endorsement insuring that advances made subsequent to the date of the title insurance policy are included in the title coverage, not to exceed the face amount of the title policy, (III) contain a last dollar endorsement insuring that the Banks may apply all payments from the Borrowers to the release of security or collateral other than the real property until the aggregate outstanding indebtedness equals the face amount of the title insurance policy and (IV) contain a first loss endorsement insuring that the Administrative Agent may realize upon the real property without requiring maturity of the entire indebtedness by acceleration and regardless of the existence of, and without pursuing, other security or collateral. No title indemnities shall be established in connection with the issuance of the aforesaid lender's title insurance policy.

(c) Flood Zone Certificates. With respect to each parcel of real

property owned by either Borrower or any of their Subsidiaries which is subject to a Mortgage, the Borrowers shall have procured and delivered to the Administrative Agent evidence as to whether such parcel of property is located within a flood hazard area for purposes of the National Flood Insurance Act of 1968, as amended.

(d) Landlord Consents. The Borrowers shall have used their best

efforts to obtain from each lessor under a lease, in respect of which lease either Borrower or any of their Subsidiaries has granted to the Administrative Agent, for the benefit of the Banks, a Mortgage, written consent to such grant in form and substance satisfactory to the Administrative Agent, to the extent such lease requires such consent.

(e) Environmental Studies. The Borrowers shall have provided to

the Administrative Agent, with respect to each parcel of real estate which is subject to a Mortgage that, pursuant to Section 6.4(a) is required to be recorded, copies of (i) either a Phase I Environmental Assessment conducted by qualified personnel conducting assessments consistent with American Society of Testing Materials ("ASTM") standard practice for environmental site assessments E1527-94 (with additional Phase II Environmental Assessments if real or potential environmental concerns are identified in the Phase I Reports) or an Environmental Transaction Screen conducted by qualified personnel consistent with ASTM standard transaction screen (Section 5.1 through Section 6.1) including: (A) evaluation of the Sanborns Historical Reviews of previous uses of property where available; (B) interviews with property owners and key site managers regarding the potential for environmental contamination at the sites; and (C) recommendations as to further investigation, if necessary, to evaluate whether additional Phase I and/or Phase II testing is necessary, which reports shall in either case, be satisfactory to the Administrative Agent, conducted by a company acceptable to the Administrative Agent, (ii) to the extent available, all environmental surveys or audits performed during the past five years in connection with each of the parcels of real estate which is subject to a Mortgage, and the results of any existing search of the public records of the authorities in the relevant jurisdictions responsible for environmental matters with respect to any proceeding or action affecting any parcel of real estate which is subject to a Mortgage and (iii) such other evidence concerning compliance (both past and present) with Environmental Laws by the Borrowers and their Subsidiaries as the Administrative Agent may request.

(f) Surveys. The Borrowers shall have provided to the

Administrative Agent copies of any surveys in their possession or reasonably available to them of any parcel of real estate which is subject to a Mortgage.

6.5 Financing Statements. Any financing statements or fixture

filings required by the Security Agreements, the Mortgages or any other Collateral Documents shall have been filed for record with the appropriate governmental authorities.

6.6 Guaranties.

(a) Holdco shall have executed and delivered to the Administrative Agent, for the benefit of the Banks, an amended and restated limited guaranty (the "Holdco Guaranty"), in form and substance satisfactory to the Administrative Agent, of all of the Borrowers' Obligations hereunder, under the Notes and under each Collateral Document, with the recourse of the Administrative Agent under such guaranty being limited to the collateral pledged to the Administrative Agent for the benefit of the Banks, pursuant to the Holdco Pledge Agreement.

(b) Each Subsidiary of a Borrower shall have executed and delivered to the Administrative Agent, for the benefit of the Banks, a guaranty (the "Subsidiary Guaranty"), in form and substance satisfactory to the Administrative Agent, of all of the Borrowers' Obligations hereunder, under the Notes and under each Collateral Document.

6.7 Holdco Subordination Agreement. Holdco shall have executed and

delivered to the Administrative Agent, for the benefit of the Banks, a subordination agreement (the "Holdco Subordination Agreement"), in form and substance satisfactory to the Administrative Agent, pursuant to which all obligations of the Borrowers to Holdco are subordinated to the Obligations.

6.8 Consummation of Holdco Financing and Reorganization.

(a) The Borrowers shall have delivered to the Administrative Agent certified copies of the Offering Memorandum, the Indenture and the notes issued pursuant thereto. The notes issued under the Indenture shall have been issued, with total gross proceeds to Holdco of at least \$150,000,000, and at least \$100,000,000 of the proceeds of the offering of such notes shall have been contributed to the capital of CCI and used to pay in full all amounts

outstanding under the Original Agreement and all other Indebtedness for borrowed money of either Borrower or any of their Subsidiaries.

(b) All of the issued and outstanding capital stock of TEA, Crown Network and Crown Mobile shall have been contributed to the capital of CCI so that such companies are wholly owned Subsidiaries of CCI, and all of the issued and outstanding capital stock of TeleStructures shall have been contributed to the capital of TEA so that TeleStructures is a wholly owned Subsidiary of TEA, in each case pursuant to documentation reasonably acceptable to the Administrative Agent.

6.9 No Indebtedness. The Administrative Agent shall have received

evidence satisfactory to it that the Borrowers and their Subsidiaries have no Indebtedness to Holdco or any Affiliate of Holdco, other than to another Borrower, to a Subsidiary of a Borrower or to Holdco in an amount not to exceed \$5,000,000, which amount is subject to the Holdco Subordination Agreement.

6.10 Opinion of Counsel. On the Closing Date, the Administrative

Agent shall have received the favorable written opinions of counsel to Holdco, the Borrowers and their Subsidiaries in Texas, Pennsylvania, New Mexico, and Puerto Rico, and of FCC counsel to the Borrowers and their Subsidiaries, in each case dated the Closing Date, addressed to the Banks and in form and substance satisfactory to the Administrative Agent.

6.11 Insurance Certificates. The Borrowers shall have furnished to

the Administrative Agent on or prior to the Closing Date certificates of insurance (together with, if requested by the Administrative Agent, copies of all policies referred to in such certificates) or other satisfactory evidence that the insurance required by Section 7.3 is in full force and effect.

6.12 Financial Information.

(a) On the Closing Date, the Borrowers shall have delivered to the Administrative Agent a pro forma balance sheet and income statement as of December 31, 1997, giving effect to the closing hereunder.

(b) On, or one Banking Day prior to, the date of each borrowing hereunder of \$5,000,000 or more, the date of each issuance of a Letter of Credit with a stated amount of \$5,000,000 or more, and, to the extent requested by the Administrative Agent, the date of any other borrowing

hereunder or issuance of a Letter of Credit, the Borrowers shall have delivered to the Administrative Agent a pro forma compliance certificate in form and substance satisfactory to the Administrative Agent showing the Leverage Ratio as the date of such borrowing or issuance of a Letter of Credit and the Borrowers' compliance on a pro forma basis with the financial covenants set forth in Section 8.

6.13 Borrowing Request and Statement of Application of Proceeds. The

Borrowers shall have delivered to the Administrative Agent in respect of each Loan a borrowing request, in form and substance satisfactory to the Administrative Agent, setting forth the application of the proceeds of the requested Loan, evidence that such application is permitted pursuant to Sections 2 and 7.1, the recipient of such proceeds and wire transfer instructions.

6.14 Corporate Documents. On the Closing Date, the Borrowers shall

have delivered to the Administrative Agent the following:

(a) certificates of good standing for Holdco and each of the Borrowers and their Subsidiaries from the Secretary of State (or other appropriate governmental body) of their respective jurisdictions of incorporation and, to the extent requested by the Administrative Agent, from each other jurisdiction in which any of them is qualified to do business, in each case dated as of a date as near to the Closing Date as practicable;

(b) a certificate signed by the Secretary or Assistant Secretary of each Borrower dated as of the Closing Date certifying that attached thereto are true and complete copies of (i) the Certificate or Articles of Incorporation and By-Laws of such Borrower, (ii) the Certificate of Incorporation and By-Laws of Holdco, (iii) the Certificate or Articles of Incorporation and By-Laws of each of their Subsidiaries, and (iv) resolutions adopted by the respective Boards of Directors of Holdco, the Borrowers and their Subsidiaries authorizing the execution, delivery and performance of this Agreement and the Collateral Documents and the Obligations to be performed by such parties hereunder and thereunder;

(c) an incumbency certificate for Holdco, each Borrower and each of their Subsidiaries; and

(d) such other documents as any Bank may reasonably request in connection with the proceedings taken by Holdco, the Borrowers or any of their Subsidiaries authorizing this Agreement, the Collateral Documents and the

transactions contemplated hereby, to the extent it is a party thereto.

6.15 Lien Searches, Consents and Releases of Liens. The

Administrative Agent shall have received: (a) on the Closing Date, certified copies of UCC, judgment and tax lien search reports for those jurisdictions in which are located towers or other income producing property of either Borrower or any of their Subsidiaries that have either generated on a pro forma basis in the aggregate at least 50% of the gross revenues of the Borrowers and their Subsidiaries for the twelve month period most recently ended prior to the Closing Date or that individually have generated on a pro forma basis in such period at least \$100,000 of revenues, listing all effective financing statements and other Liens on any of the property of such Borrower or Subsidiary in such jurisdictions, (b) on the date of any subsequent Loan the proceeds of which are being used to acquire towers or other income producing property, certified copies of UCC, judgment and tax lien search reports for those jurisdictions in which are located such towers or other income producing property that have either generated on a pro forma basis in the aggregate at least 50% of the gross revenues of all such towers and other income producing property being acquired for the twelve month period most recently ended prior to date of making such Loan or that individually have generated on a pro forma basis in such period at least \$100,000 of revenues, listing all effective financing statements and other Liens on any of the property of such Borrower or Subsidiary (including such acquired property) in such jurisdictions, (c) on the Closing Date and the date of any subsequent Loan, consents to the granting of Liens in all material contracts and leases of the Borrowers and each of their Subsidiaries, which by their terms require such consent, and (d) on the Closing Date and the date of any subsequent Loan, releases of any existing Liens encumbering any assets of either Borrower or any of their Subsidiaries, except for Permitted Liens.

6.16 No Order, Judgment, Decree or Litigation. No order, judgment or

decree of any court, arbitrator or governmental authority shall purport to enjoin or restrain the Banks from making the Loans. No action, suit, complaint, proceeding, inquiry or investigation at law or in equity, or by or before any court or governmental instrumentality or agency, nor any order (including, without limitation, any order to show cause or order of forfeiture), decree or judgment in effect, pending or threatened against or affecting either Borrower, any Subsidiary, any Tower or any of the properties or rights relating to any Tower shall

exist which could reasonably be expected to have a Material Adverse Effect.

6.17 No Material Adverse Effect. There shall have occurred no

Material Adverse Effect since December 31, 1996.

6.18 Fee Letter; Fees and Expenses. The Borrowers shall have paid

all commitment fees accrued under the Original Agreement through the Closing Date, and the Borrowers shall have paid all fees, expenses and other amounts due pursuant hereto and pursuant to the Fee Letter on or prior to the date of such initial or subsequent Loan.

6.19 Legal Approval. All legal matters incident to this Agreement

and the consummation of the transactions contemplated hereby shall be reasonably satisfactory to Dow, Lohnes & Albertson, PLLC, special counsel to the Administrative Agent.

6.20 Other Documents. The Administrative Agent shall have received

all Collateral Documents duly executed, and each Bank shall have received such other certificates, opinions, agreements and documents, in form and substance satisfactory to it, as it may reasonably request.

SECTION 7. AFFIRMATIVE COVENANTS OF THE BORROWERS.

So long as this Agreement remains in effect or any of the Obligations remains unpaid or to be performed, or any Letter of Credit remains outstanding, the Borrowers shall, and shall cause their Subsidiaries to, perform and comply with the affirmative covenants contained in this Section.

7.1 Use of Proceeds. The Borrowers shall use the proceeds of the

Reducing Loans only as follows: (a) for Qualified Acquisitions; (b) for Capital Expenditures to the extent permitted pursuant to Section 8.7; (c) for the construction of communications tower facilities; (d) for fees and transaction costs associated with this Agreement and Qualified Acquisitions; and (e) for general corporate purposes.

7.2 Continued Existence; Compliance with Law. Each Borrower shall,

and shall cause its Subsidiaries to, do or cause to be done all things necessary to preserve, renew and keep in full force and effect its existence and its material rights, Licenses and Land Lease Agreements. Without limiting the generality of the foregoing, each Borrower shall, and shall cause each of its Subsidiaries to,

obtain and maintain and preserve in full force and effect any and all material Licenses and Land Lease Agreements and other material contracts necessary to maintain, operate and manage the Towers, not breach or violate the same, and take all actions which may be required to comply in all material respects with all laws, statutes, rules, regulations, orders and decrees now in effect or hereafter promulgated by any governmental authority. The Borrowers shall obtain, renew and extend all of the foregoing rights, franchises, permits, Licenses, Land Lease Agreements and the like which may be necessary for the continuance of the operation, maintenance and management of the Towers.

7.3 Insurance. The Borrowers shall, and shall cause their

 Subsidiaries to, keep their insurable properties insured to the full replacement cost thereof at all times by financially sound and reputable insurers acceptable to the Administrative Agent, and maintain such other insurance, to such extent and against such risks, including fire, lightning, vandalism, malicious mischief, flood (if the Borrower's property is located in an identified flood hazard area, in which insurance has been made available pursuant to the National Flood Insurance Act of 1968) and other risks insured against by extended coverage, as is customary with companies engaged in the same or similar business similarly situated. All such insurance shall be in amounts sufficient to prevent either Borrower or any of their Subsidiaries from becoming a coinsurer, shall name the Administrative Agent, for the benefit of the Banks, as loss payee and may contain loss deductible provisions of not to exceed \$25,000. The Borrowers shall, and shall cause their Subsidiaries to, maintain in full force and effect liability insurance and general accident and public liability insurance against claims for personal or bodily injury, death or property damage occurring upon, in, about or in connection with the use or operation of any property or motor vehicles owned, occupied, controlled or used by either Borrower or any of their Subsidiaries and their employees or agents, or arising in any other manner out of the business conducted by the Borrowers and their Subsidiaries. The Borrowers shall maintain business interruption insurance in form and amount satisfactory to the Administrative Agent. All of such insurance shall be in amounts reasonably satisfactory to the Administrative Agent and shall be obtained and maintained by means of policies with generally recognized, responsible insurance companies authorized to do business in such states as may be necessary depending upon the locations of the Borrowers' and their Subsidiaries' assets and shall name the Administrative Agent, for the benefit of the Banks, as an additional insured or loss payee, as the case may be. The insurance to be provided may be blanket policies. Each

policy of insurance shall be written so as not to be subject to cancellation or substantial modification without not less than thirty days advance written notice to the Administrative Agent. The Borrowers shall furnish the Administrative Agent annually with certificates or other evidence satisfactory to the Administrative Agent that the insurance required hereby has been obtained and is in full force and effect and, prior to the expiration of any such insurance, the Borrowers shall furnish the Administrative Agent with evidence satisfactory to the Administrative Agent that such insurance has been renewed or replaced. The Borrowers shall, upon request of the Administrative Agent, furnish the Administrative Agent such information about the Borrowers' and their Subsidiaries' insurance as the Administrative Agent may from time to time reasonably request.

7.4 Obligations and Taxes. The Borrowers shall, and shall cause

 their Subsidiaries to, pay or perform all of their respective material Indebtedness and other material liabilities and obligations in a timely manner in accordance with normal business practices and with the terms governing the same. The Borrowers shall, and shall cause their Subsidiaries to, comply with the terms and covenants of all material agreements and all material leases of real or personal property, including, without limitation, the Land Lease Agreements. The Borrowers shall, and shall cause their Subsidiaries to, pay and discharge promptly all taxes, assessments and governmental charges or levies imposed upon them or in respect of their property before the imposition of any penalty, as well as all lawful claims for labor, materials, supplies or other matters which, if unpaid, might become a Lien or charge upon such properties or any part thereof; provided, however, that the Borrowers and their Subsidiaries

 shall not be required to pay and discharge or cause to be paid and discharged any such tax, assessment, charge, levy or claim so long as (a) the validity thereof is being contested diligently and in good faith by appropriate proceedings and the enforcement thereof is stayed, pending the outcome of such proceedings, (b) the affected Borrower or Subsidiary has set aside on its books adequate reserves (to the extent required by GAAP or sound business practice) with respect thereto, and (c) such contest will not endanger the Lien of the Administrative Agent or the Banks in any of such Borrower's or Subsidiary's assets.

7.5 Financial Statements and Reports. The Borrowers shall maintain

 true and complete books and records of account in accordance with GAAP. The Borrowers shall furnish to the Administrative Agent, for delivery to the

Banks, the following financial statements, projections and notices at the following times:

(a) As soon as available, but in no event later than ninety days after the end of each fiscal year of the Borrowers, the Borrowers shall furnish (i) audited consolidated financial statements, including a consolidated balance sheet and consolidated income statement, showing the financial condition of CCI and its Subsidiaries as of the close of such fiscal year and the results of their operations during such fiscal year, together with a statement of cash flows of CCI and its Subsidiaries and additional statements, schedules and footnotes as are customary in a complete accountant's report; such financial statements shall set forth, in comparative form, corresponding figures for the prior year and shall be certified by nationally recognized independent certified public accountants selected by CCI and acceptable to the Administrative Agent and accompanied by the management letter of such accountants to CCI, and the opinion of such accountants shall be unqualified and in a form reasonably satisfactory to the Administrative Agent; and (ii) a statement signed by such accountants to the effect that in connection with their examination of such financial statements they have reviewed the provisions of this Agreement and have no knowledge of any event or condition which constitutes an Event of Default or Possible Default or, if they have such knowledge, specifying the nature and period of existence thereof; provided, however, that in issuing such ----- statement, such independent accountants shall not be required to go beyond normal auditing procedures conducted in connection with their opinion referred to above;

(b) As soon as available, but in no event later than forty-five days after the end of each quarter of the Borrowers, the Borrowers shall furnish (i) unaudited consolidated and consolidating financial statements, including consolidated and consolidating balance sheets and income statements of CCI and its Subsidiaries, showing the financial condition of CCI and its Subsidiaries as of the end of such period and the results of their operations during such period and for the then elapsed portion of the fiscal year, which shall be accompanied by a statement of cash flows of CCI and its Subsidiaries for such periods, (ii) to the extent requested by the Administrative Agent, an unaudited statement of income and expense for each Tower for such quarter and the then elapsed portion of the fiscal year as the Administrative Agent may reasonably request, and (iii) a statement showing Capital Expenditures (including a comparison to Capital Expenditures budgeted for such period)

and income taxes paid, each for such period; all such financial statements shall set forth, in comparative form, corresponding figures for the equivalent period of the prior year and a comparison to budget for the relevant period, shall be in form and detail satisfactory to the Administrative Agent, and shall be certified as to accuracy and completeness by the chief financial officer of CCI;

(c) The financial statements required under (a) and (b) above, shall be accompanied by a compliance certificate in the form attached hereto as Exhibit J executed by CCI's chief financial officer setting forth the

computations showing compliance with the financial covenants set forth in Section 8, and certifying that no Possible Default or Event of Default has occurred, or if any Event of Default or Possible Default has occurred, stating the nature thereof and the actions the Borrowers intend to take in connection therewith;

(d) The Borrowers shall deliver (i) within forty-five days after the end of each fiscal year, an annual operating budget for the then current fiscal year, (ii) promptly upon preparation thereof, any material revisions of such annual budget and (iii) after each monthly period in which there is a material adverse deviation from budget a certificate of CCI's chief financial officer explaining the deviation and the action, if any, the Borrowers have taken or propose to take with respect thereto;

(e) The Borrowers shall furnish (i) upon request, promptly after the filing thereof with the Internal Revenue Service, copies of each annual report with respect to each Plan established or maintained by either Borrower or any member of the Controlled Group for each plan year, including (A) where required by law, a statement of assets and liabilities of such Plan as of the end of such plan year and statements of changes in fund balance and in financial position, or a statement of changes in net assets available for plan benefits, for such plan year, certified by an independent public accountant satisfactory to the Administrative Agent, and (B) if prepared by or available to the Borrowers, an actuarial statement of such Plan applicable to such plan year, certified by an enrolled actuary of recognized standing acceptable to the Administrative Agent; and (ii) promptly after receipt thereof, a copy of any notice either Borrower or a member of the Controlled Group may receive from the Department of Labor or the Internal Revenue Service with respect to any Plan (other than notices of general application) which could result in a material liability to either Borrower; the Borrowers will promptly notify the Administrative Agent of

any material taxes assessed, proposed to be assessed or which the Borrowers have reason to believe may be assessed against either Borrower or any member of the Controlled Group by the Internal Revenue Service with respect to any Plan or Benefit Arrangement; and

(f) Upon the Administrative Agent's written request, such other information about the financial condition, properties and operations of the Borrowers and their Subsidiaries as any Bank may from time to time reasonably request.

7.6 Notices. The Borrowers shall give the Administrative Agent, for

distribution to the Banks, notice (i) promptly after their receipt of notice thereof, of any action, suit or proceeding by or against either Borrower or any of their Subsidiaries at law or in equity, or before any governmental instrumentality or agency, or of any of the same which may be threatened, which, if adversely determined, could have a Material Adverse Effect, including, without limitation, any citation or order by the FCC, any other Licensing Authority or any admonition, censure or adverse citation from the FAA or any other regulatory agency, (ii) within three days after their receipt of notice thereof, of any action or event constituting an event of default or violation of any License, Land Lease Agreement or other material contract to which either Borrower or any of their Subsidiaries is a party or by which either Borrower or any of their Subsidiaries is bound, or any investigation, assertion, claim or challenge relating thereto, in either case which could reasonably be expected to have a Material Adverse Effect, (iii) within three days after the occurrence thereof, of any Possible Default or Event of Default and the actions the Borrowers intend to take in connection therewith, (iv) within five days after their receipt of notice thereof, of any cancellation of or any material amendment to any of the insurance policies maintained in accordance with the requirements of this Agreement, except for cancellations and amendments that occur in the ordinary course of business, (v) promptly after the occurrence thereof, of any strike, labor dispute, slow down or work stoppage due to a labor disagreement (or any material development regarding any thereof) affecting either Borrower or any of their Subsidiaries which could reasonably be expected to have a Material Adverse Effect, (vi) promptly after the occurrence thereof, of any other event, condition, situation, occurrence or circumstance which could reasonably be expected to have a Material Adverse Effect (vii) promptly after their receipt of notice thereof, of any material Environmental Claim and (viii) with respect to all rights, franchises, permits, Licenses and the like which may be

necessary for the continuance of the operation, maintenance and management of its Towers, (A) any citation or order relating thereto, (B) any lapse, suspension, revocation, rescission, adverse modification or other termination thereof, (C) any alleged breach or violation thereof by either Borrower, any of their Subsidiaries or any other Person, (D) any proceeding relating thereto and (E) any refusal of any Person to grant, renew or extend the same.

7.7 Maintenance of Property. The Borrowers shall, and shall cause

 their Subsidiaries to, at all times maintain and preserve their Towers, machinery, equipment, motor vehicles, fixtures and other property in good working order, condition and repair, normal wear and tear excepted, and in compliance with all material applicable standards, rules or regulations imposed by any governmental authority or agency (including, without limitation, the FCC, the FAA and any other Licensing Authority) or by any insurance policy held by the Borrowers or the Subsidiaries, except for such property which, in the good faith judgment of the Borrowers, can no longer be profitably employed in the business of the Borrowers or their Subsidiaries.

7.8 Information and Inspection. The Borrowers shall furnish to the

 Banks from time to time, upon request, full information pertaining to any covenant, provision or condition hereof, or to any matter connected with their, or their Subsidiaries', books, records, operations, financial condition, properties, activities or business. The Borrowers shall upon request supply the Banks with copies of all correspondence, documents, reports or information filed with or received from any Licensing Authority relating to either Borrower, any of their Subsidiaries, any Tower or any License. At all reasonable times, the Borrowers shall permit any authorized representatives designated by any Bank to visit and inspect any of the properties of either Borrower or any of their Subsidiaries and their books and records, and to take extracts therefrom and make copies thereof, and to discuss the Borrowers' affairs, finances and accounts with the management and independent accountants of the Borrowers.

7.9 Maintenance of Liens. The Borrowers shall, and shall cause their

 Subsidiaries to, do all things necessary to preserve and perfect the Liens of the Administrative Agent, for the benefit of the Banks, arising pursuant hereto and pursuant to the Collateral Documents as first priority Liens, except for Permitted Liens, and to insure that the Administrative Agent, for the benefit of the Banks, has a Lien on substantially all of the assets of each Borrower and of each of their Subsidiaries. If either

Borrower or any of their Subsidiaries purchases any real property or enters into any material lease for real property, whether or not the Borrowers are using the proceeds of a Loan to acquire such owned or leased real property, such Borrower shall, or shall cause its Subsidiary to, (a) notify the Administrative Agent and execute and deliver any Mortgage requested by the Administrative Agent in connection therewith, which shall be a first lien, except for Permitted Liens, (b) use its best efforts to obtain from each lessor under such lease, in respect of which lease such Borrower or Subsidiary has granted to the Administrative Agent, for the benefit of the Banks, a Mortgage, written consent to such grant in form and substance satisfactory to the Administrative Agent, and (c) comply with the requirements of Sections 6.4(a), (b), (c), (d), (e) and (f) as if a Loan were being made on the date of such acquisition. If either Borrower or any of their Subsidiaries enters into any other new material contract which prohibits the assignment thereof or the granting of a security interest therein without the consent of the other party, such Borrower or Subsidiary shall obtain the written consent of such other party to the grant to the Administrative Agent, for the benefit of the Banks, of a security interest therein pursuant to the Borrowers Security Agreement or the Subsidiary Security Agreement.

7.10 Title To Property. Each Borrower shall, and shall cause each of

its Subsidiaries to, own and hold title to all of its assets in its own name and not in the name of any nominee.

7.11 Environmental Compliance and Indemnity.

(a) The Borrowers shall, and shall cause their Subsidiaries to, comply in all material respects with all Environmental Laws, including, without limitation, all Environmental Laws in jurisdictions in which either Borrower or any of their Subsidiaries owns, maintains, operates or manages a Tower, facility or site, arranges for disposal or treatment of Hazardous Materials, solid waste or other wastes, accepts for transport any Hazardous Materials, solid wastes or other wastes or holds any interest in real property or otherwise. The Borrowers shall not, and shall not permit any of their Subsidiaries to, cause or allow the Release of Hazardous Materials, solid waste or other wastes on, under or to any real property in which such Borrower or Subsidiary holds any interest or performs any of its operations, in material violation of any Environmental Law. The Borrowers shall promptly notify the Administrative Agent and the Banks (i) of any material Release of a Hazardous Material on, under or from the real property in which either

Borrower or any of their Subsidiaries holds or has held an interest, upon either Borrower's learning thereof by receipt of notice that such Borrower or Subsidiary is or may be liable to any Person as a result of such Release or that such Borrower or Subsidiary has been identified as potentially responsible for, or is subject to investigation by any governmental authority relating to, such Release, and (ii) of the commencement or threat of any judicial or administrative proceeding alleging a violation of any Environmental Laws.

(b) If the Administrative Agent at any time has a reasonable basis to believe that there may be a violation of any Environmental Law by, or any liability arising thereunder of, either Borrower or any of their Subsidiaries or related to any real property owned, leased or operated by either Borrower or any of their Subsidiaries or real property adjacent to such real property, which violation or liability could reasonably be expected to have a Material Adverse Effect, then the Borrowers shall, upon request from the Administrative Agent, provide the Administrative Agent with such reports, certificates, engineering studies or other written material or data as the Administrative Agent may require so as to satisfy the Administrative Agent that such Borrower or Subsidiary is in material compliance with all applicable Environmental Laws.

(c) The Borrowers, jointly and severally, shall defend, indemnify and hold the Administrative Agent and the Banks, and their respective officers, directors, stockholders, employees, agents, affiliates, successors and assigns harmless from and against all costs (including clean up costs), expenses, fines, claims, demands, damages, penalties and liabilities of every kind or nature whatsoever (including reasonable attorneys', consultants' and experts' fees) arising out of, resulting from or relating to, directly or indirectly, (i) the noncompliance of either Borrower or any of their Subsidiaries or any property owned or leased by either Borrower or any of their Subsidiaries with any Environmental Law, or (ii) any investigatory or remedial action involving either Borrower, any of their Subsidiaries or any property owned or leased by either Borrower or any of their Subsidiaries and required by Environmental Laws or by order of any governmental authority having jurisdiction under any Environmental Laws, or (iii) any injury to any Person whatsoever or damage to any property arising out of, in connection with or in any way relating to the breach of any of the environmental warranties or covenants contained in this Agreement or any Collateral Document or any facts or circumstances that cause any of the environmental representations or warranties

contained in this Agreement or any Collateral Document to cease to be true, or (iv) the Release of any Hazardous Material on or affecting any property owned or leased by either Borrower or any of their Subsidiaries, or (v) the presence of any asbestos-containing material or underground storage tanks, whether in use or closed, under or on any property owned or leased by either Borrower or any of their Subsidiaries.

7.12 Appraisals. If at any time any Bank determines that it must

have current appraisals of any of the real property subject to a Mortgage to comply with any law, rule or regulation applicable to it, then, upon request by such Bank, the Borrowers shall, at their expense, order appraisals of such real property. Such appraisals shall be in form and substance acceptable to the Banks, shall be prepared by appraisers acceptable to the Banks and shall be delivered to the Administrative Agent within forty-five days of the request therefor.

7.13 Rate Hedging Obligations. The Borrowers shall at all times

maintain in full force and effect, agreements in form and substance reasonably satisfactory to the Required Banks regarding Rate Hedging Obligations so that the sum (without duplication of (a) the notional amount subject to such agreements, (b) the aggregate principal amount of all Total Debt of the Borrowers and their Subsidiaries which bears interest at a fixed interest rate and (c) the principal amount of all Indebtedness of Holdco which bears interest at a fixed interest rate equals at all times at least 50% of the sum of (i) the aggregate principal amount of all Total Debt of the Borrowers and their Subsidiaries and (ii) the principal amount of all Indebtedness of Holdco.

7.14 Maintenance of Separate Identity. Each Borrower shall (a) not

fail to correct any known misunderstanding regarding its existence separate and distinct from Holdco, (b) maintain its accounts, books and records separate from those of Holdco, (c) not commingle its funds or assets with those of Holdco and shall not permit Holdco to have direct access to its cash, (d) hold all of its assets in its own name and shall not permit Holdco to acquire or dispose of any assets on its behalf, (e) not conduct business in the name of Holdco, (f) not assume or guaranty or otherwise become obligated for the debts of Holdco or hold out its credit as being available to satisfy the obligations of Holdco, and (g) allocate fairly and reasonably any overhead for office space shared with Holdco and shall use separate stationery, invoices and checks from those used by Holdco.

SECTION 8. NEGATIVE COVENANTS OF THE BORROWERS.

So long as this Agreement remains in effect or any of the Obligations remains unpaid or to be performed, or any Letter of Credit remains outstanding, neither Borrower shall, and neither Borrower shall permit any of its Subsidiaries directly or indirectly to, take any of the actions set out in this Section 8 nor permit any of the conditions set out herein to occur.

8.1 Indebtedness. The Borrowers shall not, and shall not permit

any of their Subsidiaries to, incur, create, assume or permit to exist any Indebtedness, except:

- (a) the Obligations;
- (b) Indebtedness permitted under Section 8.4, 8.5 or 8.6;
- (c) existing Indebtedness set forth on Exhibit F;

- (d) Seller Debt in an amount not to exceed \$5,000,000;

(e) unsecured trade accounts payable and other unsecured current Indebtedness incurred in the ordinary course of business and not more than one hundred twenty days past due (but excluding any Indebtedness for borrowed money);

(f) Indebtedness for taxes, assessments, governmental charges, liens or similar claims to the extent that payment thereof shall not be required to be made by the provisions of Section 7.4; and

(g) Indebtedness arising under Rate Hedging Obligations required pursuant to Section 7.13.

8.2 Liens. The Borrowers shall not, and shall not permit any of

their Subsidiaries to, incur, create, assume or permit to exist any Lien of any nature whatsoever, including those arising in connection with conditional sales or other title retention agreements, on any property or assets now owned or hereafter acquired by either Borrower or any of their Subsidiaries, other than Permitted Liens.

8.3 Guaranties. The Borrowers shall not, and shall not permit any

of their Subsidiaries to, become a Guarantor for any Person, except with respect to

endorsements of negotiable instruments for collection in the ordinary course of business.

8.4 Rental and Conditional Sale Obligations. The Borrowers shall

not, and shall not permit any of their Subsidiaries to, incur, create, assume or permit to exist, with respect to any personal property, any conditional sale obligation, any purchase money obligation, any rental obligation, any purchase money security interest or any other arrangement for the use of personal property of any other Person, other than an arrangement classifiable as a capital lease which is permitted in Section 8.6, if the aggregate amount payable by the Borrowers and their Subsidiaries pursuant to such arrangements (other than any such arrangements incurred in connection with a Qualified Acquisition) would exceed \$300,000 in any fiscal year.

8.5 Real Property Interests. The Borrowers shall not, and shall not

permit any of their Subsidiaries to, enter into, assume or permit to exist any lease or rental obligation for real property, including, without limitation, towers and related facilities, if the aggregate amount payable in respect thereof by the Borrowers and their Subsidiaries (other than (a) amounts paid pursuant to the Southpointe Lease and (b) any such arrangements incurred in connection with a Qualified Acquisition) would exceed \$1,000,000 in the aggregate in any fiscal year.

8.6 Capitalized Lease Obligations. The Borrowers shall not, and

shall not permit any of their Subsidiaries to, incur, create, assume or permit to exist any Capitalized Lease Obligations under any lease of personal or real property if the aggregate amount payable by the Borrowers and their Subsidiaries in respect of all such Capitalized Lease Obligations (other than Capitalized Lease Obligations incurred in connection with a Qualified Acquisition) would exceed \$300,000 in the aggregate in any fiscal year.

8.7 Capital Expenditures. Except for (a) any payments in respect of

Capitalized Lease Obligations, (b) expenditures of proceeds of casualty insurance policies reasonably and promptly applied to replace insured assets, and (c) amounts paid by CCI upon exercise of its option to purchase the real property which was the subject of the Southpointe Lease, the Borrowers and their Subsidiaries shall not make Capital Expenditures which exceed the sum of (i) \$8,000,000 in the aggregate in 1998, (ii) \$10,000,000 in the aggregate in 1999, or (iii) \$12,000,000 in the aggregate in any fiscal year thereafter (the amount permitted in any year pursuant to this sentence being referred to as the "Base Amount" for such year). If the Base Amount for any

year exceeds the aggregate amount of Capital Expenditures actually made by the Borrowers and their Subsidiaries in such year (such excess being referred to as the "Excess Amount"), then the Borrowers and their Subsidiaries may make Capital Expenditures in the immediately succeeding year (but not in any year thereafter) in excess of the Base Amount for such succeeding year in an amount not to exceed the Excess Amount for the prior year.

8.8 Notes, Accounts Receivable and Claims. The Borrowers shall not,

and shall not permit any of their Subsidiaries to, (a) sell, discount or otherwise dispose of any note, account receivable or other right to receive payment, with or without recourse, except for collection in the ordinary course of business; or (b) fail to timely assert any claim, cause of action or contract right which they possess against any third party nor agree to settle or compromise any such claim, cause of action or contract right except in any case in the exercise of good business judgment and except for settlements or compromises made in the reasonable exercise of business judgment in the ordinary course of business.

8.9 Capital Distributions.

(a) Neither Borrower shall, and neither Borrower shall permit any of its Subsidiaries to, make, or declare or incur any liability to make, any Capital Distribution, except that:

(i) any Subsidiary of a Borrower may make Capital Distributions to such Borrower or to a wholly owned Subsidiary of such Borrower;

(ii) CCI may make Capital Distributions to Holdco solely in order to permit Holdco to pay its out-of-pocket costs for corporate development and overhead and to pay cash interest expense actually incurred by Holdco on Permitted Indebtedness (as that term is defined in the Holdco Guaranty) so long as: (A) the aggregate amount of such Capital Distributions does not exceed \$6,000,000 in any year ending on or prior to October 31, 2002, or \$33,000,000 in any year thereafter; (B) prior to making any such distribution, the Borrowers shall have demonstrated to the satisfaction of the Administrative Agent that the Borrowers will be in compliance with all of the covenants contained herein after giving effect to such distribution; (C) no Possible Default or Event of Default exists at the time of making such distribution or would exist after giving effect thereto; (D) prior to making any such distribution, the Borrowers shall have delivered to the Administrative Agent a

certificate of CCI's chief financial officer in form and substance satisfactory to the Administrative Agent which shall contain calculations demonstrating on a pro forma basis the Borrowers' compliance with the financial covenants set forth in this Section 8 after giving effect to such distribution; and (E) such distributions shall not be made more frequently than four times per year; and

(iii) CCI may make Capital Distributions to Holdco solely in order to permit Holdco to pay that portion of the federal, state and local income tax liability (exclusive of penalties and interest) of Holdco which arises from the allocation to Holdco for income tax purposes of taxable income and/or taxable gain of the Borrowers (not to exceed the actual federal, state and local income tax liability of Holdco) so long as: (A) prior to making any such distribution, the Borrowers shall have demonstrated to the satisfaction of the Administrative Agent that the Borrowers will be in compliance with all of the covenants contained herein after giving effect to such distribution; (B) no Possible Default or Event of Default exists at the time of making such distribution or would exist after giving effect thereto; (C) prior to making any such distribution, the Borrowers shall have delivered to the Administrative Agent a certificate of CCI's chief financial officer in form and substance satisfactory to the Administrative Agent which shall contain calculations demonstrating on a pro forma basis the Borrowers' compliance with the financial covenants set forth in this Section 8 after giving effect to such distribution and the calculation of such income tax liability; and (D) such distributions shall not be made more frequently than four times per year.

(b) Neither Borrower shall permit any of its Subsidiaries to agree to or to be subject to any restriction on its ability to make Capital Distributions or loans or loan repayments or other asset transfers to its stockholders other than restrictions imposed by applicable law and the restrictions set forth in this Section.

8.10 Disposal of Property; Mergers; Acquisitions; Reorganizations.

(a) Except as expressly permitted pursuant to Section 8.10(b), Section 8.10(c) or Section 8.11, neither Borrower shall, and neither Borrower shall permit any of its Subsidiaries to, (i) dissolve or liquidate; (ii) sell, lease, transfer or otherwise dispose of any material portion of its properties or assets to any Person; (iii) be a party to any consolidation, merger, recapitalization or other form of reorganization; (iv) make any acquisition of all or

substantially all the assets of any Person, or of a business division or line of business of any Person, or of any other assets constituting a going business; (v) create, acquire or hold any Subsidiary; or (vi) be or become a party to any joint venture or other partnership.

(b) The Borrowers may make acquisitions of communications tower facilities, site management and site acquisition companies and related communications and information transmission businesses, either by the acquisition of assets or the acquisition of all of the outstanding equity interests of entities engaged in such businesses, subject to the satisfaction of the following conditions (any such acquisition, or series of related acquisitions, which satisfies such conditions being referred to hereinafter as a "Qualified Acquisition"):

(i) the Borrowers shall have given to the Administrative Agent written notice of such acquisition at least fifteen days prior to executing any binding commitment with respect thereto;

(ii) the Borrowers shall have demonstrated to the satisfaction of the Administrative Agent that the Borrowers will be in compliance with all of the covenants contained herein after giving effect to such acquisition and that no Event of Default or Possible Default then exists or would exist after giving effect to such acquisition;

(iii) the Borrowers shall have delivered to the Administrative Agent within twenty days prior to the consummation of such acquisition an acquisition report signed by CCI's chief financial officer in form and substance satisfactory to the Administrative Agent which shall contain calculations demonstrating on a pro forma basis the Borrowers' compliance with the financial covenants set forth in this Section 8 after giving effect to such acquisition and, if the borrowing hereunder in connection with such acquisition is in an amount in excess of \$5,000,000, projections for the Borrowers for a five year period after the closing of such acquisition giving effect to such acquisition and including a statement of sources and uses of funds for such acquisition showing, among other things, the source of financing for such acquisition;

(iv) after giving effect to such acquisition, the Borrowers shall have (A) marketable fee simple title or an assignable and insurable leasehold interest in each property on which an acquired Tower is located and (B) either (I) written agreements for licensing

of space on such Tower with at least 75% of the licensees of space on such Tower existing immediately prior to such acquisition or (II) in their good faith judgment, a strong probability of retaining 90% of the licensees of space on such Tower existing immediately prior to such acquisition, in each case, with respect to such license agreements, on substantially the same terms and conditions as existed immediately prior to such acquisition;

(v) the Administrative Agent shall have received from the Borrowers an engineering report from an engineer, satisfactory to the Administrative Agent (which engineer may be an employee of a Borrower or one of their Subsidiaries), acceptable in form and substance to the Administrative Agent, with respect to the construction, engineering and maintenance of the Towers to be acquired or managed and their compliance with applicable laws, rules and regulations;

(vi) the agreement governing such acquisition and all related documents and instruments shall be satisfactory to the Administrative Agent in form and substance;

(vii) the Purchase Price of such acquisition shall be payable in cash at the closing of such acquisition or by the delivery of a Borrower's note, so long as such note satisfies the following conditions (the aggregate Indebtedness evidenced by all such notes being referred to herein collectively as "Seller Debt"):

(A) such note shall be secured by a Letter of Credit issued pursuant hereto (subject to the satisfaction of the conditions to such issuance set forth herein) in the amount of such note but shall not be secured by any Lien on any property of either Borrower or any of their Subsidiaries;

(B) such note shall bear interest at a fixed rate which shall not exceed the lower of the rate of interest on United States Treasury obligations having a term of one year or 7% per annum;

(C) no principal payment shall be permitted or required on such note prior to December 31, 2004;

(D) the sum of the principal amount of such note and the principal amount of all other notes issued by the Borrowers in connection with Qualified Acquisitions shall not exceed \$5,000,000; and

(E) no more than five notes issued by the Borrowers pursuant to Qualified Acquisitions shall be outstanding at any one time;

(viii) the Borrowers and their Subsidiaries shall have taken any actions as may be necessary or reasonably requested by the Administrative Agent to grant to the Administrative Agent, for the benefit of the Banks, first priority, perfected Liens in all assets, real and personal, tangible and intangible, acquired by either Borrower or any of their Subsidiaries in such acquisition pursuant to the Collateral Documents, subject to no prior Liens except Permitted Liens; and with respect to any real estate acquired or leased by the Borrowers or their Subsidiaries in connection with such acquisition, the Borrowers shall have complied with the requirements of Sections 6.4(a), (b), (c), (d), (e) and (f) as if a Loan were being made on the date of such acquisition;

(ix) if either Borrower or any of their Subsidiaries acquires a Subsidiary or creates a Subsidiary pursuant to or in connection with such acquisition,

(A) such Borrower shall, or shall cause its Subsidiary which owns such newly acquired or created Subsidiary to, execute a Pledge Agreement, in substantially the form of the Pledge Agreements or otherwise in form and substance satisfactory to the Required Banks, pursuant to which all of the stock or other securities or equity interests of such acquired or created Subsidiary are pledged to the Administrative Agent, for the benefit of the Banks, as security for the Obligations of the Borrowers hereunder and under the Notes and the Collateral Documents;

(B) such acquired or created Subsidiary shall execute and deliver to the Administrative Agent, for the benefit of the Banks, a guaranty, and shall grant to the Administrative Agent, for the benefit of the Banks, a first priority, perfected lien or security interest in all of its assets, real and personal, tangible and intangible, subject to no prior liens or security interests except for Permitted Liens, pursuant to a Security Agreement and Mortgages, in each case in substantially the form of the guaranties and security agreements contained in the Collateral Documents or otherwise in form and substance satisfactory to the Required Banks, and shall take all actions required pursuant thereto; and

(C) the Borrowers shall have entered into an amendment to the Collateral Documents, in form and substance reasonably satisfactory to the Banks,

which shall make the covenants, defaults and other provisions of this Agreement applicable to such Subsidiary;

(x) the Borrowers shall have delivered to the Administrative Agent evidence reasonably satisfactory to the Administrative Agent to the effect that all approvals, consents or authorizations required in connection with such acquisition from any Licensing Authority or other governmental authority shall have been obtained, and such opinions as the Administrative Agent may reasonably request as to the liens and security interests granted to the Administrative Agent, for the benefit of the Banks, as required pursuant to this Section, and as to any required regulatory approvals for such acquisition;

(xi) the Administrative Agent shall have received copies of all documents relating to such acquisition, and the Borrowers shall have caused all opinions and certificates of the seller of such Towers delivered in connection with such closing to be addressed to the Banks; and

(xii) if such acquisition involves an aggregate Purchase Price of at least \$5,000,000, then, to the extent requested by the Required Banks, the Banks shall have received a statement from KPMG Peat Marwick (or another nationally recognized firm of independent certified public accountants selected by the Borrowers and acceptable to the Administrative Agent) certifying as to the operating cash flow of the acquired Towers or, in the case of a management agreement, such management agreement, for the twelve month period most recently ended prior to the closing of such acquisition and as to such other matters as the Administrative Agent may reasonably request.

(c) The Borrowers may, subject to compliance with Section 2.5(b)(iii), dispose of tower facilities subject to the following conditions:

(i) no Event of Default or Possible Default shall then exist or shall exist after giving effect to such disposition;

(ii) the Operating Cash Flow attributable to such tower facilities in the four quarter period most recently ended, together with the Operating Cash Flow attributable to all tower facilities previously disposed of in such four quarter period, shall not exceed 5% of total Operating Cash Flow for such four quarter period; and

(iii) no tower facilities may be disposed of at any time if the Operating Cash Flow attributable to such tower facilities, together with the Operating Cash Flow attributable to all tower facilities previously disposed of since October 31, 1997, exceeds 15% of total Operating Cash Flow for the four quarter period most recently ended.

8.11 Investments. The Borrowers shall not, and shall not permit any

of their Subsidiaries to, purchase or otherwise acquire, hold or invest in any stock or other securities or evidences of indebtedness of, or any interest or investment in, or make or permit to exist any loans or advances to, any other Person, except:

(a) direct obligations of the United States Government maturing within one year;

(b) certificates of deposit of a member bank of the Federal Reserve System having capital, surplus and undivided profits in excess of \$100,000,000;

(c) any investment in commercial paper which at the time of such investment is assigned the highest quality rating in accordance with the rating systems employed by either Moody's Investors Service, Inc. or Standard & Poor's Corporation;

(d) investments in Subsidiaries existing as of the date hereof or created or acquired in connection with a Qualified Acquisition to the extent permitted pursuant to Section 8.10(b);

(e) loans and advance to employees in an aggregate amount for the Borrowers and their Subsidiaries not to exceed at any time \$250,000; and

(f) any investment in joint ventures, whether structured as limited partnerships, limited liability companies or otherwise, subject to the following conditions:

(i) no Event of Default or Possible Default shall exist at the time of making any such investment or after giving effect to the making of such investment;

(ii) the contribution of all such joint ventures to the consolidated revenues of the Borrowers shall not at any time exceed 20% of the consolidated revenues of the Borrowers;

(iii) the aggregate amount of proceeds of the Loans contributed to such joint ventures shall not exceed \$20,000,000; and

(iv) neither Borrower nor any of their Subsidiaries shall have any liability, whether direct or contingent, for any of the obligations or liabilities of any such joint venture.

8.12 Amendment of Governing Documents. The Borrowers shall not, and

shall not permit any of their Subsidiaries or any other Person to, amend, modify or supplement its Certificate of Incorporation, its By-Laws or any other organizational or governing document of either Borrower or any of their Subsidiaries, unless required by law.

8.13 Financial Covenants.

(a) Leverage Ratio. The Borrowers shall not permit the Leverage

Ratio as of any date in any period listed in Column A below to be greater than the ratio set forth in Column B below opposite such period:

Column A -----	Column B -----
Period: -----	Permitted Ratio: -----
December 31, 1997, to December 31, 2000:	6.0:1.0
January 1, 2001, to June 30, 2001:	5.5:1.0
July 1, 2001, to December 31, 2001:	5.0:1.0
January 1, 2002, to June 30, 2002:	4.5:1.0
July 1, 2002, to December 31, 2002:	4.0:1.0
January 1, 2003, and thereafter:	3.5:1.0.

(b) Fixed Charge Coverage Ratio. The Borrowers shall not permit

the Fixed Charge Coverage Ratio as of any date to be less than 1.05 to 1.00.

(c) Projected Debt Service Coverage Ratio. The Borrowers shall

 not permit the ratio of Test Operating Cash Flow as of the end of any four quarter period ending on or prior to December 31, 2000, to Projected Debt Service as of such date to be less than 1.1 to 1.0; and the Borrowers shall not permit the ratio of Test Operating Cash Flow as of the end of any four quarter period ending after December 31, 2000, to Projected Debt Service as of such date to be less than 1.15 to 1.0.

(d) Operating Cash Flow to Interest Expense Ratio. The Borrowers

 shall not permit the ratio of Operating Cash Flow for any four quarter period to Interest Expense for such four quarter period to be less than 2.0:1.0.

8.14 Management Agreements and Fees. The Borrowers shall not, and

 shall not permit any of their Subsidiaries to, make or enter into, nor pay any management fees pursuant to, any management or service agreement whereby management, supervision or control of its business, or any significant aspect thereof, shall be delegated to or placed in any Person other than an employee of a Borrower or a Subsidiary of a Borrower.

8.15 Fiscal Year. The Borrowers shall not, and shall not permit any

 of their Subsidiaries to, change their fiscal year, which shall be the calendar year.

8.16 ERISA. Neither the Borrowers nor any member of the Controlled

 Group shall fail to make any contributions which are required pursuant to the terms of any Plan or any Benefit Arrangement. Neither the Borrowers nor any member of the Controlled Group shall contribute to or agree to contribute to any Plan which is (a) subject to the minimum funding requirements under ERISA Section 302 or Code Section 412; (b) a multiemployer plan (as defined in ERISA Section 4001(a)(3)); (c) a defined benefit plan (as defined under ERISA Section 3(35) or Code Section 414(j)); (d) a multiple employer plan (as defined in ERISA Section 4063); or (e) a multiple employer welfare arrangement (as defined in ERISA Section 3(40)).

8.17 Affiliates. The Borrowers shall not, and shall not permit any

 of their Subsidiaries to, enter into any transaction, agreement or arrangement with Holdco or any other Affiliate of either Borrower (other than a Borrower or Subsidiary of a Borrower) unless the terms of such transaction or agreement are no less favorable to the Borrowers or their Subsidiaries than could be obtained in an arms-length transaction.

8.18 Change of Name or Corporate Structure. Neither Borrower shall,

and neither Borrower shall permit any of its Subsidiaries to, change its name or corporate structure without thirty days prior written notice to the Administrative Agent.

8.19 Amendments or Waivers. The Borrowers shall not amend, alter or

modify, or consent to or suffer any amendment, alteration or modification, of any License, Land Lease Agreement or other material contract (or waive a material right thereunder) except for any amendments, alterations or modifications which could not reasonably be expected to have a Material Adverse Effect.

8.20 Issuance or Transfer of Capital Stock. Neither Borrower shall,

and neither Borrower shall permit any of its Subsidiaries to, sell or issue any capital stock or other equity interests or any warrants, options or other securities convertible into or exercisable for any capital stock or other equity interests, and neither Borrower shall, and neither Borrower shall permit any of its Subsidiaries to, permit the transfer of any of its capital stock or other equity interests or any warrants, options or other securities convertible into or exercisable for any capital stock or other equity interests.

8.21 Change in Business. The Borrowers shall not, and shall not permit

their Subsidiaries to, change the nature of their business in any material respect.

8.22 Regulation U. The Borrowers shall not, directly or indirectly,

(a) apply any part of the proceeds of the Loans to the purchasing or carrying of any "margin stock" within the meaning of Regulations T, U or X of the Federal Reserve Board, or any regulations, interpretations or rulings thereunder, (b) extend credit to others for the purpose of purchasing or carrying any such margin stock, or (c) retire Indebtedness which was incurred to purchase or carry any such margin stock.

8.23 Subordinated Debt. The Borrowers shall not, and shall not

permit any of their Subsidiaries to, make, or cause or permit to be made, any payments in respect of any Indebtedness which is subordinated to the Obligations in contravention of the subordination provisions contained in the evidence of such subordinated Indebtedness or in contravention of any subordination agreement or other written agreement pertaining to Subordinated Debt.

SECTION 9. EVENTS OF DEFAULT.

The occurrence of any one or more of the following events, whether voluntarily or involuntarily or by operation of law, shall constitute an Event of Default hereunder:

9.1 Non-Payment. The Borrowers shall (a) fail to pay when due,

whether by acceleration of maturity or otherwise, any installment of principal due hereunder or under any Note or (b) fail to pay when due, whether by acceleration of maturity or otherwise, or within two days thereafter, any installment of interest due hereunder or under any Note or any fee or other payment obligation in respect of the Obligations or payable pursuant to the Fee Letter.

9.2 Failure of Performance in Respect of Other Obligations. (a)

Either Borrower shall fail to observe, perform or be in compliance with any of the provisions of Section 8, Sections 7.1 or 7.3 or the first sentence of Section 7.2; or (b) either Borrower, any of their Subsidiaries or any other party to a Collateral Document (other than the Administrative Agent or a Bank) shall fail to observe, perform or be in compliance with the terms of any Obligation, covenant or agreement, other than those referred to in Section 9.1, Section 8, Sections 7.1 or 7.3 or the first sentence of Section 7.2, to be observed, performed or complied with by such Borrower, Subsidiary or other party hereunder or under any Collateral Document and, provided that such failure is of

a type which can be cured, such failure shall continue and not be cured for thirty days after: (i) notice thereof from the Administrative Agent or a Bank or (ii) the Administrative Agent or the Banks are notified thereof or should have been notified thereof pursuant to the provisions of Section 7.6, whichever is earlier; or (c) any party to any Pledge Agreement shall, or shall attempt to, voluntarily or involuntarily, encumber, subject to any further pledge or security interest, sell, transfer or otherwise dispose of any of the Pledged Collateral (as that term is defined in any Pledge Agreement) or any interest therein except as expressly provided herein or therein.

9.3 Breach of Warranty. Any financial statement, representation,

warranty, statement or certificate made or furnished by Holdco, either Borrower, any of their Subsidiaries or any other party to a Collateral Document (other than the Administrative Agent or a Bank) to the Administrative Agent or the Banks in or in connection with this Agreement or any Collateral Document, or as an inducement to the Administrative Agent or the Banks to enter

into this Agreement or any of the Collateral Documents, including, without limitation, those in Section 5 above or in any Collateral Document, shall have been false, incorrect or incomplete when made or deemed made in any material respect.

9.4 Cross-Defaults. Any Change in Control or Event of Default, as

those terms are defined in the Indenture as in effect as of the date hereof, shall occur; or either Borrower or any of their Subsidiaries shall default in any payment due on any Indebtedness in excess of \$50,000 in the aggregate and such default shall continue for more than the period of grace, if any, applicable thereto; or either Borrower or any of their Subsidiaries shall default in the performance of or compliance with any term of any evidence of such Indebtedness or of any mortgage, indenture or other agreement relating thereto, and any such default shall continue for more than the period of grace, if any, specified therein and shall not have been waived pursuant thereto if such default causes, or permits the holder thereof to cause, the acceleration of such Indebtedness;

9.5 Assignment for Benefit of Creditors. Either Borrower or any of

their Subsidiaries or Holdco shall make an assignment for the benefit of its creditors, or shall admit its insolvency or shall fail to pay its debts generally as such debts become due.

9.6 Bankruptcy. Any petition seeking relief under Title 11 of the

United States Code, as now constituted or hereafter amended, shall be filed by or against either Borrower, any of their Subsidiaries or Holdco or any proceeding shall be commenced by or against either Borrower, any of their Subsidiaries or Holdco with respect to relief under the provisions of any other applicable bankruptcy, insolvency or other similar law of the United States or any State providing for the reorganization, winding-up or liquidation of Persons or an arrangement, composition, extension or adjustment with creditors; provided, however, that no Event of Default shall be deemed to have occurred if

any such involuntary petition or proceeding shall be discharged within sixty days of its filing or commencement.

9.7 Appointment of Receiver; Liquidation. A receiver or trustee

shall be appointed for either Borrower, any of their Subsidiaries or Holdco or for any substantial part of its assets, and such receiver or trustee shall not be discharged within sixty days of his appointment; any proceedings shall be instituted for the dissolution or the full or partial liquidation of either Borrower, any of their

Subsidiaries or Holdco and such proceedings shall not be dismissed or discharged within sixty days of their commencement; or either Borrower, any of their Subsidiaries or Holdco shall discontinue its business.

9.8 Judgments. Either Borrower or any of their Subsidiaries shall

 incur a final judgment for the payment of money in an amount which, together with all other final judgments against either Borrower or any of their Subsidiaries, exceeds \$50,000 in the aggregate, and shall not discharge (or make adequate provision for the discharge of) the same within a period of thirty days unless, pending further proceedings, execution thereon has been effectively stayed; or a non-monetary judgment or order shall be rendered against either Borrower or any of their Subsidiaries that could reasonably be expected to have a Material Adverse Effect, and there shall be any period in excess of thirty consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect.

9.9 Impairment of Collateral; Invalidation of any Loan Document. (a)

 A creditor of either Borrower, any of their Subsidiaries, Holdco or any other party to a Collateral Document shall obtain possession of any of the collateral for the Obligations by any means, including, without limitation, attachment, levy, distraint, replevin or self-help, or any creditor shall establish or obtain any right in such collateral; or (b) the Administrative Agent shall cease to have a perfected, first priority Lien on all of the issued and outstanding capital stock of each Borrower and of each Subsidiary of each Borrower; or (c) any Lien created or purported to be created by this Agreement or any Collateral Document shall cease or fail to be perfected with respect to any of the collateral purported to be covered thereby; or (d) any material portion of such collateral shall be lost, stolen, damaged or destroyed for which there is either no insurance coverage or in, in the reasonable opinion of the Administrative Agent, there is insufficient insurance coverage; or (e) this Agreement, any Note or any Collateral Document ceases to be a legal, valid, binding agreement or obligation enforceable against any party thereto (including the Administrative Agent and the Banks) in accordance with its terms, or shall be terminated, invalidated, set aside or declared ineffective or inoperative; or (f) any party to any Collateral Document shall contest or deny the validity or enforceability of such Collateral Document or any lien, security interest or obligation purported to be created thereby.

9.10 Termination of License or Agreements. The FCC, the FAA or any

other Licensing Authority shall revoke, terminate, substantially and adversely modify or fail to renew any material License of either Borrower or any of their Subsidiaries or commence proceedings to suspend, revoke, terminate or substantially and adversely modify any such License and such proceedings shall not be dismissed or discharged within sixty days; or the License Agreements or any Land Lease Agreements or other agreements which are necessary to the operation of the business of either Borrower or any of their Subsidiaries shall be revoked, terminated or adversely modified and not replaced by substitutes acceptable to the Administrative Agent within thirty days of such revocation, termination or modification and without which agreements a Material Adverse Effect could reasonably be expected.

9.11 Change of Control. (i) Any Person (or group of Persons) is or

becomes the "beneficial owner" (within the meaning of Rules 13d-3 and 13d-5 under the federal Securities Exchange Act of 1934, as amended), directly or indirectly, of a percentage of the common voting stock of Holdco greater than 35%; or (ii) during any period of twenty-four consecutive months, individuals who at the beginning of such period constituted the Board of Directors of Holdco (together with any new directors whose election by such Board or whose nomination for election by the stockholders of Holdco was approved by a majority of the directors then still in office who were either directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the Board of Directors then in office; or (iii) Holdco shall cease to own all of the issued and outstanding capital stock of CCI; or (iv) CCI shall cease to own all of the issued and outstanding capital stock of each of CCI-PR, Spectrum, TEA, Crown Network and Crown Mobile; or (v) TEA shall cease to own all of the issued and outstanding capital stock of TeleStructures.

9.12 Default under Collateral Document. Either Borrower, any of

their Subsidiaries or any other party (other than the Administrative Agent and the Banks) shall default under any Collateral Document after any required notice and such default shall continue beyond any applicable grace period.

9.13 Condemnation. Any court, government or governmental agency

shall condemn, seize, or otherwise appropriate, or take custody or control of any substantial portion of the assets of either Borrower or any of their Subsidiaries.

9.14 Material Adverse Effect. Any Material Adverse Effect shall

occur.

SECTION 10. REMEDIES.

Notwithstanding any contrary provision or inference herein or elsewhere,

10.1 Optional Defaults. If any Event of Default referred to in

Section 9.1 through and including Section 9.4 or Section 9.8 through and including Section 9.14 shall occur, the Issuing Bank shall not be required to issue any additional Letters of Credit, and the Administrative Agent, with the consent of the Required Banks, upon written notice to the Borrowers, may

(a) terminate the Reducing Commitment and the credit hereby established and forthwith upon such election the obligations of the Banks to make any further Loans hereunder (other than Loans resulting from the funding of Letters of Credit) immediately shall be terminated, and/or

(b) accelerate the maturity of the Loans and all other Obligations, whereupon all Obligations shall become and thereafter be immediately due and payable in full without any presentment or demand and without any further or other notice of any kind, all of which are hereby waived by the Borrowers, and/or

(c) demand the payment to the Issuing Bank of the aggregate stated amount of the outstanding Letters of Credit, which amount the Issuing Bank shall hold as security for the obligations incurred under the Letters of Credit.

10.2 Automatic Defaults. If any Event of Default referred to in

Sections 9.5-9.7 shall occur,

(a) the Reducing Commitment and the credit hereby established shall automatically and forthwith terminate, and the Banks thereafter shall be under no obligation to grant any further Loans hereunder (other than Loans resulting from the funding of Letters of Credit), and

(b) the principal of and interest on the Notes, then outstanding, and all of the other Obligations shall thereupon become and thereafter be immediately due and payable in full, all without any presentment, demand or notice of any kind, which are hereby waived by the Borrowers, and

(c) the Issuing Bank shall not be required to issue any additional Letters of Credit, and the aggregate stated amount of the outstanding Letters of Credit shall be immediately payable by the Borrowers to the Issuing Bank, which amount the Issuing Bank shall hold as security for the obligations incurred under the Letters of Credit.

10.3 Performance by the Banks. If at any time either Borrower or any

of their Subsidiaries fails or refuses to pay or perform any obligation or duty to any third Person, except for payments which are the subject of bona fide disputes in the ordinary course of business, the Administrative Agent or the Banks may, in their sole discretion, but shall not be obligated to, pay or perform the same on behalf of such Borrower or Subsidiary, and the Borrowers shall promptly repay all amounts so paid, and all costs and expenses so incurred. This repayment obligation shall become one of the Obligations of the Borrowers hereunder and shall bear interest at the Default Interest Rate.

10.4 Other Remedies. Upon the occurrence of an Event of Default, the

Administrative Agent and the Banks may exercise any other right, power or remedy as may be provided herein, in any Note or in any other Collateral Document, or as may be provided at law or in equity, including, without limitation, the right to recover judgment against the Borrowers for any amount due either before, during or after any proceedings for the enforcement of any security or any realization upon any security.

10.5 Enforcement and Waiver by the Banks. The Administrative Agent

and the Banks shall have the right at all times to enforce the provisions of this Agreement and all Collateral Documents in strict accordance with the terms hereof and thereof, notwithstanding any conduct or custom on the part of the Administrative Agent or the Banks in refraining from so doing at any time, unless the Banks shall have waived such enforcement in writing in respect of a particular instance. The failure of the Administrative Agent or the Banks at any time to enforce their rights under such provisions shall not be construed as having created a custom or course of dealing in any way contrary to the specific provisions of this Agreement or the Collateral Documents, or as having in any way modified or waived the same. All rights, powers and remedies of the Administrative Agent and the Banks are cumulative and concurrent and the exercise of one right, power or remedy shall not be deemed a waiver or release of any other right, power or remedy.

SECTION 11. THE AGENTS.

11.1 Appointment. Key Corporate Capital Inc. is hereby appointed

administrative agent and documentation agent hereunder, and each of the Banks irrevocably authorizes the Administrative Agent to act as the agent of such Bank. PNC Bank, National Association is hereby appointed syndication agent hereunder, and each of the Banks irrevocably authorizes the Syndication Agent to act as the agent of such Bank. The Administrative Agent and the Syndication Agent agree to act as such upon the express conditions contained in this Section 11. Neither the Administrative Agent nor the Syndication Agent shall have a fiduciary relationship in respect of any Bank by reason of this Agreement.

11.2 Powers. The Administrative Agent shall have and may exercise

such powers hereunder as are specifically delegated to it by the terms hereof, together with such powers as are reasonably incidental thereto. The Administrative Agent shall not have any implied duties or any obligation to the Banks to take any action hereunder except any action specifically provided by this Agreement to be taken by the Administrative Agent.

11.3 General Immunity. Neither the Administrative Agent nor the

Syndication Agent nor any of their respective directors, officers, affiliates, agents or employees shall be liable to the Banks or any Bank for any action taken or omitted to be taken by it or them hereunder or in connection herewith except for its or their own gross negligence or willful misconduct. Without limiting the foregoing, neither the Administrative Agent nor the Syndication Agent nor any of their respective directors, officers, affiliates, agents or employees shall be responsible for, or have any duty to examine (a) the genuineness, execution, validity, effectiveness, enforceability, value or sufficiency of this Agreement, any Collateral Document, or any other document or instrument furnished pursuant to or in connection with this Agreement or any Collateral Document, (b) the collectibility of any amounts owed by the Borrowers or any of their Subsidiaries, (c) any recitals, statements, reports, representations or warranties made in connection with this Agreement or any Collateral Document, (d) the performance or satisfaction by the Borrowers or any of their Subsidiaries of any covenant or agreement contained herein or in any Collateral Document, (e) any failure of any party to this Agreement to receive any communication sent, including any telegram, teletype, bank wire, cable, radiogram or telephone message sent or any writing, application, notice, report, statement,

certificate, resolution, request, order, consent letter or other instrument or paper or communication entrusted to the mails or to a delivery service, or (f) the assets or liabilities or financial condition or results of operations or business or credit-worthiness of either Borrower or any of their Subsidiaries. The Administrative Agent shall not be bound to ascertain or inquire as to the performance or observance of any of the terms of this Agreement or any Collateral Document.

11.4 Action on Instructions of the Banks. The Administrative Agent

 shall not be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the instructions of the Required Banks (subject to Section 11.12 hereof), and such instructions shall be binding upon all the Banks and all holders of the Notes; provided, however, that the

 Administrative Agent shall not be required to take any action which exposes it to personal liability or which is contrary to this Agreement or applicable law. The foregoing provisions of this Section 11.4 shall not limit in any way the exercise by any Bank of any right or remedy granted to such Bank pursuant to the terms of this Agreement or any Collateral Document. Except as otherwise expressly provided herein, any reference in this Agreement to action by the Banks shall be deemed to be a reference to the Required Banks.

11.5 Employment of Administrative Agents and Counsel. The

 Administrative Agent may execute any of its duties as Administrative Agent hereunder by or through employees, agents and attorneys-in-fact and shall not be answerable to the Banks, except as to money or securities received by it or its authorized agents, for the default or misconduct of any such agents or attorneys-in-fact selected by it with reasonable care.

11.6 Reliance on Documents; Counsel. The Administrative Agent shall

 be entitled to rely upon any Note, notice, consent, certificate, affidavit, letter, telegram, statement, paper, document or other communications believed by it to be genuine and correct and to have been signed or sent by the proper person or persons, and, with respect to legal matters, upon the opinion of counsel selected by the Administrative Agent, which counsel may be employees of the Administrative Agent, concerning all matters pertaining to the agency hereby created and its duties hereunder.

11.7 Administrative Agent's Reimbursement and Indemnification. The

Banks agree to reimburse and indemnify the Administrative Agent (which indemnification shall be shared by the Banks ratably in proportion to their respective Ratable Shares) (a) for any amounts not reimbursed by the Borrowers for which the Administrative Agent is entitled to reimbursement by the Borrowers hereunder or under any Collateral Document, (b) for any other expenses reasonably incurred by the Administrative Agent on behalf of the Banks, in connection with the preparation, execution, delivery, administration, amendment or enforcement hereof or of any of the Collateral Documents and (c) for any liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind and nature whatsoever which may be imposed on, incurred by or asserted against the Administrative Agent in any way relating to or arising out of this Agreement, any Collateral Document or any other document related hereto or thereto or the transactions contemplated hereby or the enforcement of any of the terms hereof or thereof or of any such other documents, provided that no Bank shall be liable for any of the foregoing to the

extent they arise from the gross negligence or willful misconduct of the Administrative Agent.

11.8 Rights as a Bank. With respect to its Ratable Share of the

Reducing Commitment, the Loans made by it, the Letters of Credit issued by the Issuing Bank and the Notes issued to it, each of the Administrative Agent and the Syndication Agent shall have the same rights and powers hereunder as any Bank and may exercise the same as though it were not the Administrative Agent or the Syndication Agent, as the case may be, and the term "Bank" or "Banks" shall, unless the context otherwise indicates, include the Administrative Agent and the Syndication Agent in their individual capacities. Each of the Administrative Agent and the Syndication Agent may accept deposits from, lend money to, and generally engage in any kind of banking or trust business with the Borrowers and their Subsidiaries as if it were not the Administrative Agent or the Syndication Agent hereunder.

11.9 Bank Credit Decision. Each Bank acknowledges that it has,

independently and without reliance upon the Administrative Agent, the Syndication Agent or any other Bank and based on the financial statements prepared by the Borrowers and such other documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement and the other Collateral Documents. Each Bank also acknowledges that it will, independently and without reliance upon the

Administrative Agent, the Syndication Agent or any other Bank and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement and the other Collateral Documents. Neither the Administrative Agent nor the Syndication Agent shall be required to keep the Banks informed as to the performance or observance by the Borrowers or their Subsidiaries of this Agreement or any other document referred to or provided for herein or to inspect the properties or books of either Borrower or any of their Subsidiaries. Except for notices, reports and other documents and information expressly required to be furnished to the Banks by the Administrative Agent hereunder, neither the Administrative Agent nor the Syndication Agent shall have any duty or responsibility to provide any Bank with any credit or other information concerning the affairs, financial condition or business of either Borrower or any of their Subsidiaries which may come into its possession.

11.10 Successor Administrative Agent.

(a) The Administrative Agent may, without the consent of the Borrowers or the other Banks, assign its rights and obligations as Administrative Agent hereunder and under the Collateral Documents to its parent or to any wholly owned subsidiary of its parent which has capital and retained earnings of at least \$500,000,000, and upon such assignment, the former Administrative Agent shall be deemed to have retired, and such wholly owned subsidiary shall be deemed to be a successor Administrative Agent.

(b) The Administrative Agent may resign at any time by giving written notice thereof to the Banks. Upon any such resignation, the Required Banks shall have the right to appoint a successor Administrative Agent. If no successor Administrative Agent shall have been so appointed by the Required Banks and shall have accepted such appointment within thirty days after the notice of resignation, then the retiring Administrative Agent may appoint a successor Administrative Agent. Such successor Administrative Agent shall be a commercial bank having capital and retained earnings of at least \$500,000,000.

(c) Upon the acceptance of any appointment as the Administrative Agent hereunder by a successor Administrative Agent, such successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the assigning or retiring Administrative Agent, and the assigning or retiring Administrative Agent shall be discharged from its duties and

obligations hereunder. After any assigning or retiring Administrative Agent's resignation hereunder as the Administrative Agent, the provisions of this Section 11 shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as the Administrative Agent hereunder.

11.11 Ratable Sharing. All principal and interest payments on Loans

and commitment fees received by the Administrative Agent shall be remitted to the Banks in accordance with their Ratable Shares. Any amounts received by the Administrative Agent or any other Bank upon the sale of any collateral for the Loans or upon the exercise of any remedies hereunder or under any of the Collateral Documents or upon the exercise of any right of setoff shall be remitted to the Banks in accordance with their Ratable Shares; provided, however, that, solely for purposes of the sharing of any amounts received by the Administrative Agent or any other Bank, if at the time of any such receipt the Borrowers have defaulted under any agreements regarding Rate Hedging Obligations with any Bank or the Affiliate of any Bank, such Bank's Ratable Share shall be proportionately increased and the Ratable Shares of the other Banks shall be proportionately decreased based upon the amount due to the affected Bank (or such Bank's Affiliate) pursuant to such agreements. If any Bank shall obtain any payment hereunder (whether voluntary, involuntary, through exercise of any right of set-off or otherwise) in excess of its Ratable Share, then such Bank shall immediately remit such excess to the other Banks pro rata.

11.12 Actions by the Administrative Agent and the Banks. The

Administrative Agent shall take formal action following the occurrence of a Possible Default or an Event of Default only upon the agreement of the Required Banks; provided, however, that if the Administrative Agent gives notice to the

Banks of a Possible Default or an Event of Default, and the Required Banks cannot agree (which agreement shall not be unreasonably withheld) on a mutual course of action within ten days following such notice, the Administrative Agent may (but shall not be required to) pursue such legal rights and remedies against the Borrowers as it deems necessary and appropriate to protect the Banks and any collateral under the circumstances.

SECTION 12. MISCELLANEOUS.

12.1 Construction. The provisions of this Agreement shall be in

addition to those of the Collateral Documents and to those of any other guaranty, security agreement, note or other evidence of the liability relating

to the Borrowers held by the Banks, all of which shall be construed as complementary to each other. Nothing contained herein shall prevent the Administrative Agent or the Banks from enforcing any or all of such instruments in accordance with their respective terms. Each right, power or privilege specified or referred to in this Agreement or in any Collateral Document is in addition to any other rights, powers or privileges that the Administrative Agent or the Banks may otherwise have or acquire by operation of law, by other contract or otherwise. No course of dealing in respect of, nor any omission or delay in the exercise of, any right, power or privilege by the Administrative Agent or the Banks shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any further or other exercise thereof or of any other, as each right, power or privilege may be exercised independently or concurrently with others and as often and in such order as the Administrative Agent or the Banks may deem expedient. Notwithstanding any other provision of this Agreement, the Borrowers shall not be required to pay any amount of interest pursuant hereto or pursuant to the Notes which is in excess of the maximum amount permitted by law.

12.2 Further Assurance. From time to time, the Borrowers shall, and -----
shall cause their Subsidiaries to, execute and deliver to the Administrative Agent and the Banks such additional documents and take such additional actions as the Administrative Agent may require to carry out the purposes of this Agreement or any of the Collateral Documents, or to preserve and protect the rights of the Administrative Agent and the Banks hereunder or thereunder.

12.3 Expenses of the Administrative Agent, Syndication Agent and the -----
Banks; Indemnification.

(a) Whether or not the transactions contemplated by this Agreement are consummated, the Borrowers shall pay the costs and expenses, including the reasonable fees and disbursements of the Administrative Agent's special counsel and the Syndication Agent's special counsel, incurred by the Administrative Agent, the Syndication Agent and the Banks in connection with (i) the negotiation, preparation, administration, amendment or enforcement of this Agreement and the Collateral Documents and the closing of the transactions contemplated hereby and thereby; (ii) the perfection of the Liens granted pursuant hereto or pursuant to the Collateral Documents; (iii) the making of the Loans and issuance of the Letters of Credit hereunder; (iv) the negotiation, preparation or enforcement of any other document in connection with this Agreement, the Collateral Documents or the Loans made hereunder; (v) any

proceeding brought or formal action taken by the Administrative Agent or the Banks to enforce any provision of this Agreement or any Collateral Document, or to enforce or exercise or preserve any right, power or remedy hereunder or thereunder; or (vi) any action which may be taken or instituted by any Person against the Administrative Agent, the Syndication Agent or any Bank as a result of any of the foregoing. The fees and expenses of the Administrative Agent's special counsel and of the Syndication Agent's special counsel through the Closing shall be paid on the Closing Date. If any taxes, charges or fees shall be payable, or ruled to be payable, to any state or Federal authority in respect of the execution, delivery or performance of this Agreement, any Note or any other Collateral Document by reason of any existing or hereinafter enacted Federal or state statute (other than any such taxes on the net income of the Banks and any taxes, charges or fees which are included in the LIBOR Reserve Percentage), the Borrowers will pay all such taxes, charges or fees, including interest and penalties thereon, if any, and will indemnify and hold harmless the Administrative Agent, the Syndication Agent and the Banks against any liability in connection therewith.

(b) The Borrowers hereby, jointly and severally, indemnify and hold harmless the Administrative Agent, the Syndication Agent and each Bank and their respective directors, officers, employees, agents, counsel, subsidiaries and affiliates (the "Indemnified Persons") from and against any and all claims, losses, liabilities, obligations, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever (including reasonable attorneys fees) which may be imposed on, incurred by, or asserted against any Indemnified Person in any way relating to or arising out of this Agreement, the Collateral Documents, or any of them, or the Loans made pursuant hereto or the Letters of Credit issued pursuant hereto, or the use of the proceeds thereof, or any of the transactions contemplated hereby or thereby or the business, assets or operations of the Borrowers or their Subsidiaries or the ownership, maintenance, operation or management of the Towers; provided,

however, that the Borrowers shall not be liable to any Indemnified Person, if

there is a final non-appealable judicial determination that such claims, losses, liabilities, obligations, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulted solely from the gross negligence or willful misconduct of such Indemnified Person.

12.4 Notices. Except as otherwise expressly provided herein, all notices, demands and requests required

or permitted to be given under the provisions of this Agreement shall be in writing and shall be deemed to have been duly delivered and received (a) on the date of personal delivery, (b) on the date of receipt (as shown on the return receipt) if mailed by registered or certified mail, postage prepaid and return receipt requested, (c) on the next business day after delivery to a courier service that guarantees delivery on the next business day if the conditions to the courier's guarantee are complied with, or (d) on the date of receipt (if such date is a Banking Day, otherwise on the next Banking Day) by telecopy, in each case addressed as follows:

TO THE ADMINISTRATIVE AGENT:

Key Corporate Capital Inc.
127 Public Square
Cleveland, Ohio 44114-1306
Attn: Media and Telecommunications Finance Division
Telecopy: 216-689-4666

Copy to:

Timothy J. Kelley, Esq.
Dow, Lohnes & Albertson, PLLC
1200 New Hampshire Avenue, N.W.
Suite 800
Washington, D.C. 20036
Telecopy: 202-776-2222

TO THE BANKS, AT THE ADDRESSES LISTED ON THE SIGNATURE PAGES HEREOF OR IN THE ASSIGNMENT INSTRUMENT DELIVERED PURSUANT TO Section 12.7(b)

TO THE BORROWERS:

c/o Crown Communication Inc.
Southpointe
375 Southpointe Blvd.
Canonsburg, Pennsylvania 15317
Attn: Chief Financial Officer
Telecopy: 724-416-2200

with copies to:

Crown Castle International Corp.
510 Bering Drive
Suite 500
Houston, Texas 77057
Attn: Chief Financial Officer

Telecopy: 713-570-3150

and:

E. Blake Hawk, Esq.
Brown, Parker & Leahy, L.L.P.
1200 Smith Street
Suite 3600
Houston, TX 77002-4595
Telecopy: 713-654-1871

or to such other address or addresses as the party to which such notice is directed may have designated in writing to the other parties hereto.

12.5 Waiver and Release by the Borrowers. Neither the Administrative

Agent, nor the Syndication Agent, nor any Bank, nor any Affiliate, officer, director, employee, attorney or agent of the Administrative Agent, the Syndication Agent or any Bank shall have any liability with respect to, and the Borrowers hereby waive, release and agree not to sue any of them upon, any claim for any special, indirect, incidental or consequential damages suffered or incurred by either Borrower or any of their Subsidiaries in connection with, arising out of, or in any way related to, this Agreement or any of the Collateral Documents, or any of the transactions contemplated by this Agreement or any of the Collateral Documents, unless arising from the gross negligence or willful misconduct of such Person as determined by a final non-appealable judgment of a court of competent jurisdiction, and the Borrowers hereby release the Administrative Agent, the Syndication Agent and each Bank from, and hereby waive, all claims for loss or damage caused by any act or omission on the part of the Administrative Agent, the Syndication Agent or any Bank or their respective officers, attorneys, agents and employees, except gross negligence and willful misconduct.

12.6 Right of Set Off. Upon the occurrence and during the

continuance of any Event of Default, each Bank is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set-off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such Bank or an Affiliate of such Bank to or for the credit or the account of either Borrower or any of their Subsidiaries against any and all of the obligations of the Borrowers and their Subsidiaries now or hereafter existing hereunder or under any Collateral Document, irrespective of whether or not such Bank shall have made any demand hereunder or under any Collateral

Document and although such obligations may be unmatured. The rights of the Banks under this Section are in addition to other rights and remedies (including without limitation, other rights of set-off) which the Banks may have. The Borrowers agree, to the fullest extent they may effectively do so under applicable law, that any other holder of a participation in any Note may exercise rights of set-off or counterclaim and other rights with respect to such participation as fully as if such holder of a participation were a direct creditor of the Borrowers or any of their Subsidiaries in the amount of such participation.

12.7 Successors and Assigns; Participations.

(a) Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party; provided, however, that neither Borrower shall assign or

transfer any of rights or obligations hereunder or under any Note without the prior written consent of all of the Banks and the Administrative Agent.

(b) Each Bank may assign all or any part of any of its Loans, its Notes, and its share of the Reducing Commitment and the Letters of Credit with the consent of the Borrowers and the Administrative Agent, which consent shall not be unreasonably withheld; provided that (i) no such consent by the Borrowers shall be required (A) for any such assignment by any Bank to an Affiliate of such Bank, (B) if, at the time of such assignment, an Event of Default or Possible Default has occurred and is continuing, (C) in the case of any assignment to another branch or a principal office of a Bank, or (D) for any such assignment to another Bank or an Affiliate of another Bank; (ii) any such partial assignment shall be in an amount at least equal to \$5,000,000; and (iii) each such assignment shall be made by a Bank in such manner that the same portion of its Loans, its Notes, its share of the Reducing Commitment and its participation in the Letters of Credit is assigned to the assignee. Upon execution and delivery by the assignor and the assignee to the Borrowers and the Administrative Agent of an instrument in writing pursuant to which such assignee agrees to become a "Bank" hereunder (if not already a Bank) having the share of the Reducing Commitment, Loans and Letters of Credit specified in such instrument, and upon consent thereto by the Administrative Agent and the Borrowers (to the extent required), the assignee shall have, to the extent of such assignment (unless otherwise provided in such assignment with the consent of the Administrative Agent), the obligations, rights and benefits of a Bank hereunder holding the share of the Reducing Commitment,

Loans and Letters of Credit specified in such instrument, and upon consent thereto by the Administrative Agent and the Borrowers (to the extent required), the assignee shall have, to the extent of such assignment (unless otherwise provided in such assignment with the consent of the Administrative Agent), the obligations, rights and benefits of a Bank hereunder holding the share of the Reducing Commitment, Loans and Letters of Credit (or portions thereof) assigned to it (in addition to the share of the Reducing Commitment, Loans and Letters of Credit, if any, theretofore held by such assignee) and the assigning Bank shall, to the extent of such assignment, be released from the share of the Reducing Commitment, the Letters of Credit and the obligations hereunder so assigned.

(c) Upon its receipt of an assignment pursuant to Section 12.7(b) above duly executed by an assigning Bank and the assignee, together with any Note subject to such assignment and, in respect of any assignment after September 30, 1998, a processing and recordation fee of \$3,500, the Administrative Agent shall, if such assignment has been completed, accept such assignment. Within five business days after receipt of such notice, the Borrowers, at the Borrowers' own expense, shall execute and deliver to the Administrative Agent in exchange for each surrendered Note a new Note to the order of the assignee in an amount equal to the share of the Reducing Commitment, of the Loans and of the Letters of Credit assumed by the assignee and, if the assigning Bank has retained a portion of the Reducing Commitment, the Loans and the Letters of Credit hereunder, a new Note to the order of the assigning Bank in an amount equal to the share of the Reducing Commitment and the Loans retained by it hereunder. Such new Notes shall be in an aggregate principal amount equal to the aggregate principal amount of such surrendered Notes, shall be dated the effective date of such assignment and shall otherwise be in substantially the form of Exhibit A hereto. Cancelled Notes shall be -----
returned to the Borrowers.

(d) A Bank may sell or agree to sell to one or more other Persons (each, a "Participant") a participation in all or any part of any Loans held by it, or in its share of the Reducing Commitment and the Letters of Credit. Except as otherwise provided in the last sentence of this Section 12.7(d), no Participant shall have any rights or benefits under this Agreement or any Note or any other Collateral Documents (the Participant's rights against such Bank in respect of such participation to be those set forth in the agreements executed by such Bank in favor of the Participant). All amounts payable by the Borrowers to any Bank under Section 2 hereof in respect of Loans held by it, and its share of the Reducing Commitment, shall be determined as if such Bank had not sold or agreed to sell any participations in such Loans and share of the Reducing Commitment, and as if such Bank were funding each of such Loans and its share of the Reducing Commitment in the same way that it is funding the portion of such Loans and its share of the Reducing Commitment in which no participations

have been sold. In no event shall a Bank that sells a participation agree with the Participant to take or refrain from taking any action hereunder or under any other Collateral Document except that such Bank may agree with the Participant that it will not, without the consent of the Participant, agree to any modification, supplement or waiver hereof or of any of the other Collateral Documents to the extent that the same, under Section 12.14 hereof, requires the consent of each Bank. The Borrowers agree that each Participant shall be entitled to the benefits of Sections 2.6 through 2.13 and Section 12.6 with respect to its participating interest.

(e) In addition to the assignments and participations permitted under the foregoing provisions of this Section 12.7, any Bank may assign and pledge all or any portion of its Loans and its Notes to any Federal Reserve Bank as collateral security pursuant to Regulation A of the Board of Governors of the Federal Reserve System and any Operating Circular issued by such Federal Reserve Bank. No such assignment shall release the assigning Bank from its obligations hereunder.

(f) A Bank may furnish any information concerning the Borrowers and their Subsidiaries in the possession of such Bank from time to time to assignees and participants (including prospective assignees and participants).

(g) Anything in this Section 12.7 to the contrary notwithstanding, no Bank may assign or participate any interest in any Loan held by it hereunder to either Borrower or any of its Affiliates without the prior written consent of each Bank.

12.8 APPLICABLE LAW. THIS AGREEMENT AND THE COLLATERAL DOCUMENTS,

AND THE DUTIES, RIGHTS, POWERS AND REMEDIES OF THE PARTIES HERETO AND THERETO, SHALL BE CONSTRUED IN ACCORDANCE WITH, AND GOVERNED BY, THE LAWS OF THE STATE OF OHIO (WITHOUT REGARD TO THE CONFLICTS OF LAWS PROVISIONS THEREOF), EXCEPT TO THE EXTENT THAT ANY COLLATERAL DOCUMENT PROVIDES THAT THE LOCAL LAW OF ANOTHER JURISDICTION GOVERNS THE GRANT, PERFECTION OR ENFORCEMENT OF THE LIENS GRANTED PURSUANT TO SUCH COLLATERAL DOCUMENT. THE PROVISIONS OF THIS SECTION HAVE BEEN FULLY DISCUSSED BY THE BORROWERS AND THE AGENT ON BEHALF OF THE BANKS AND SHALL BE SUBJECT TO NO EXCEPTIONS. THE BORROWERS HAVE MADE THIS CHOICE OF GOVERNING LAW KNOWINGLY AND WILLINGLY AND AFTER CONSULTING WITH THEIR COUNSEL. NONE OF THE AGENT, ANY BANK NOR THE BORROWERS HAVE AGREED WITH OR REPRESENTED TO ANY

OTHER PARTY THAT THE PROVISIONS OF THIS SECTION WILL NOT BE FULLY ENFORCED IN ALL INSTANCES.

12.9 ENFORCEMENT. EACH BORROWER (A) HEREBY IRREVOCABLY SUBMITS TO THE

JURISDICTION OF THE STATE COURTS OF THE STATE OF OHIO AND TO THE JURISDICTION OF THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF OHIO, FOR THE PURPOSE OF ANY SUIT, ACTION OR OTHER PROCEEDING ARISING OUT OF OR BASED UPON THIS AGREEMENT OR ANY COLLATERAL DOCUMENT OR THE SUBJECT MATTER HEREOF OR THEREOF BROUGHT BY THE AGENT OR THE BANKS OR THEIR SUCCESSORS OR ASSIGNS AND (B) HEREBY WAIVES, AND AGREES NOT TO ASSERT, BY WAY OF MOTION, AS A DEFENSE, OR OTHERWISE, IN ANY SUCH SUIT, ACTION OR PROCEEDING, ANY CLAIM THAT IT IS NOT SUBJECT PERSONALLY TO THE JURISDICTION OF THE ABOVE-NAMED COURTS, THAT ITS PROPERTY IS EXEMPT OR IMMUNE FROM ATTACHMENT OR EXECUTION, THAT THE SUIT, ACTION OR PROCEEDING IS BROUGHT IN AN INCONVENIENT FORUM, THAT THE VENUE OF THE SUIT, ACTION OR PROCEEDING IS IMPROPER OR THAT THIS AGREEMENT OR ANY COLLATERAL DOCUMENT OR THE SUBJECT MATTER HEREOF OR THEREOF MAY NOT BE ENFORCED IN OR BY SUCH COURT, AND (C) HEREBY WAIVES AND AGREES NOT TO SEEK ANY REVIEW BY ANY COURT OF ANY OTHER JURISDICTION WHICH MAY BE CALLED UPON TO GRANT AN ENFORCEMENT OF THE JUDGMENT OF ANY SUCH OHIO STATE OR FEDERAL COURT. EACH BORROWER HEREBY CONSENTS TO SERVICE OF PROCESS BY REGISTERED MAIL AT THE ADDRESS TO WHICH NOTICES ARE TO BE GIVEN. EACH BORROWER AGREES THAT ITS SUBMISSION TO JURISDICTION AND ITS CONSENT TO SERVICE OF PROCESS BY MAIL IS MADE FOR THE EXPRESS BENEFIT OF THE AGENT AND THE BANKS. FINAL JUDGMENT AGAINST THE BORROWERS IN ANY SUCH ACTION, SUIT OR PROCEEDING MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT, ACTION OR PROCEEDING ON THE JUDGMENT, OR IN ANY OTHER MANNER PROVIDED BY OR PURSUANT TO THE LAWS OF SUCH OTHER JURISDICTION; PROVIDED,

HOWEVER, THAT THE AGENT OR THE BANKS MAY AT THEIR OPTION BRING SUIT, OR

INSTITUTE OTHER JUDICIAL PROCEEDINGS, AGAINST EITHER BORROWER OR ANY OF ITS ASSETS IN ANY STATE OR FEDERAL COURT OF THE UNITED STATES OR OF ANY COUNTRY OR PLACE WHERE SUCH BORROWER, OR SUCH ASSETS, MAY BE FOUND.

12.10 JURY TRIAL WAIVER. THE BORROWERS, THE AGENT AND THE BANKS EACH

WAIVE IRREVOCABLY, TO THE EXTENT PERMITTED BY LAW, ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, BETWEEN THE BANKS AND THE BORROWERS ARISING OUT OF, IN CONNECTION WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED BETWEEN THEM IN CONNECTION WITH THIS AGREEMENT OR THE NOTES OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HERewith OR THE TRANSACTIONS RELATED HERETO AND THERETO. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING

OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY, INCLUDING WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. THE BORROWERS, THE AGENT AND THE BANKS ACKNOWLEDGE THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH HAS ALREADY RELIED ON THE WAIVER IN ENTERING INTO THIS AGREEMENT AND THAT EACH WILL CONTINUE TO RELY ON THE WAIVER IN THEIR RELATED FUTURE DEALINGS. THE BORROWERS, THE AGENT AND THE BANKS FURTHER WARRANT AND REPRESENT THAT EACH HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL, AND THAT EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING (UNLESS EXPRESSLY MODIFIED IN WRITING BY ALL PARTIES HERETO), AND THE WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, THE COLLATERAL DOCUMENTS AND TO ANY OTHER DOCUMENTS OR AGREEMENTS RELATING TO THE LOANS. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

12.11 Binding Effect and Entire Agreement; No Oral Agreements. This

Agreement shall inure to the benefit of, and shall be binding upon, the respective successors and permitted assigns of the parties hereto. This Agreement, the Schedules and Exhibits hereto, which are hereby incorporated in this Agreement, and the Collateral Documents constitute the entire agreement among the parties on the subject matter hereof. There are no unwritten or oral agreements between the Borrowers and the Banks, and this written Agreement, the Notes, the other Collateral Documents, and the instruments and documents executed in connection herewith, represent the final agreement between the parties and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties.

12.12 Counterparts. This Agreement may be executed in any number of

counterparts or duplicate originals, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

12.13 Survival of Agreements. All covenants, agreements,

representations and warranties made herein or in any Collateral Document shall survive any investigation and the Closing, and shall continue in full force and effect so long as any of the Obligations remain to be performed or paid or the Banks have any obligation to advance sums or

issue Letters of Credit hereunder or any Letter of Credit remains outstanding.

12.14 Modification. Any term of this Agreement or of any Note may be

amended and the observance of any term of this Agreement or of any Note may be waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of the Borrower and the Required Banks, and any amendment or waiver effected in accordance with this Section 12.14 shall be binding upon each holder of a Note at the time outstanding, each future holder of a Note and the Borrowers; provided, however, that no such

amendment or waiver or other action shall, without the prior written consent of all of the Banks or the holders of all of the Notes at the time outstanding, (a) extend the maturity or reduce the principal amount of, or reduce the rate or extend the time of payment of interest on, or reduce the amount or extend the time of payment of any principal installment of, any Note, (b) reduce the amount or extend the time of payment of the commitment fees or the fees shared by the Banks and payable in respect of Letters of Credit, (c) change the Reducing Commitment or the Ratable Share of any Bank (other than any change in Reducing Commitment or Ratable Share resulting from the sale of a participation in or assignment of any Bank's interest in the Reducing Commitment and Loans in accordance with Section 12.7), (d) change the percentage referred to in the definition of "Required Banks" contained in Section 1.1, or reduce the number of Banks required to approve any waiver, amendment or modification, (e) amend this Section 12.14, (f) amend or waive compliance with Section 2.5(b), or (g) release any collateral or any guaranty for the Loans except for collateral which the Borrowers are not prohibited pursuant hereto from selling; and provided,

further, that notwithstanding the foregoing provisions of this Section 12.14,

this Agreement and the Notes may be amended or modified in the manner contemplated by Section 12.7 for the purpose of permitting any Bank to assign its interest, rights and obligations hereunder to another Person, if the appropriate assignment agreement or counterparts thereof are executed by the Borrowers (to the extent required), the Administrative Agent and the appropriate Bank assignor and assignee. Any amendment or waiver effected in accordance with this Section 12.14 shall be binding upon each holder of any Note at the time outstanding, each future holder of any Note and the Borrowers.

12.15 Separability. If any one or more of the provisions contained

in this Agreement or any Collateral Document should be invalid, illegal or unenforceable in any

respect, the validity, legality and enforceability of all remaining provisions shall not in any way be affected or impaired. Any provision of this Agreement which 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 or affecting the validity or enforceability of such provision in any other jurisdiction.

12.16 Section Headings. The Section headings contained herein are -----
for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement.

12.17 Termination. This Agreement shall terminate when all amounts -----
due hereunder, under each Note and under each Collateral Document shall have been indefeasibly paid in full in cash and all other Obligations hereunder or thereunder shall have been fully performed, so long as no Letters of Credit are then outstanding and the Banks have no further obligation to advance sums or issue Letters of Credit hereunder. Notwithstanding the foregoing, this Agreement shall continue to be effective or be reinstated and relate back to such time as though this Agreement had always been in effect, as the case may be, if at any time any amount received by the Administrative Agent or any Bank in respect of the Obligations is rescinded or must otherwise be restored or returned by such Bank upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of either Borrower or any of their Subsidiaries or upon the appointment of any intervenor or conservator of, or trustee or similar official for, either Borrower or any of their Subsidiaries or any substantial part of its properties, or otherwise, all as though such payments had not been made. Notwithstanding anything to the contrary contained herein or in any Collateral Document, any indemnification or expense reimbursement provision contained herein or in any Collateral Document shall remain in full force and effect notwithstanding the termination of this Agreement.

12.18 Interest Limitation. It is the intention of the Borrowers and -----
the Banks to conform strictly to the respective usury laws applicable to the Banks. Accordingly, if the transactions contemplated hereby would be usurious under applicable law as to any Bank, then, in that event, notwithstanding anything to the contrary in the Notes or this Agreement or in any other Collateral Document, it is agreed as follows: (a) the aggregate of all consideration which constitutes interest under law applicable to such Bank that is contracted for, taken, reserved, charged or received

under any Note payable to such Bank or this Agreement or under any other Collateral Document or otherwise in connection with such Note shall under no circumstances exceed the maximum amount allowed by such law (or, if the principal amount of such Note shall have been or would thereby be paid in full, refunded to the Borrowers); and (b) in the event that the maturity of any Note payable to a Bank is accelerated or in the event of any required or permitted prepayment, then such consideration that constitutes interest under law applicable to such Bank may never include more than the maximum amount allowed by such applicable law, and excess interest, if any, provided for in this Agreement or otherwise shall be cancelled automatically as of the date of such acceleration or prepayment and, if theretofore paid, shall be credited by such Bank on the principal amount of such Note (or, if the principal amount of such Note shall have been or would thereby be paid in full, refunded by such Bank to the Borrowers). All calculations made to compute the rate of interest that is contracted for, taken, reserved, charged or received under any Note payable to any Bank or under this Agreement or under any other Collateral Document or otherwise in connection with such Note for the purpose of determining whether such rate exceeds the maximum amount allowed by law applicable to such Bank shall be made, to the extent permitted by such applicable law, by amortizing, prorating, and spreading in equal parts during the period of the full stated term of the Loan or Loans evidenced by such Note all interest at any time contracted for, taken, reserved, charged or received by such Bank in connection therewith.

12.19 DTPA Waiver. TO THE MAXIMUM EXTENT NOT PROHIBITED BY

APPLICABLE LAW FROM TIME TO TIME IN EFFECT, THE BORROWERS HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY (AND AFTER THE BORROWERS HAVE CONSULTED WITH THEIR OWN ATTORNEY), IRREVOCABLY AND UNCONDITIONALLY WAIVE THE PROVISIONS OF THE TEXAS DECEPTIVE TRADE PRACTICES -CONSUMER PROTECTION ACT (TEXAS BUSINESS AND COMMERCE CODE, CHAPTER 17, SECTION 17.41 - 17.63).

TO WITNESS THE ABOVE, the Borrowers, the Banks, the Administrative Agent and the Syndication Agent have caused this Loan Agreement to be executed by their respective representatives thereunto duly authorized as of the date first above written.

BORROWERS:

CROWN COMMUNICATION INC.

By: _____
Name: _____
Title: _____

CROWN CASTLE INTERNATIONAL CORP. DE PUERTO RICO

By: _____
Name: _____
Title: _____

ADMINISTRATIVE AGENT AND DOCUMENTATION AGENT:

KEY CORPORATE CAPITAL INC.

By: _____
Name: Jason R. Weaver
Title: Vice President

SYNDICATION AGENT:

PNC BANK, NATIONAL ASSOCIATION

By: _____
Name: _____
Title: _____

ISSUING BANK:

KEY CORPORATE CAPITAL INC.

By: _____
Name: Jason R. Weaver
Title: Vice President

BANKS:

KEY CORPORATE CAPITAL INC.

By: _____
Name: Jason R. Weaver
Title: Vice President

Address: 127 Public Square
Cleveland, Ohio 44114-1306
Attn: Media and Telecommunications Finance Division

PNC BANK, NATIONAL ASSOCIATION

By: _____
Name: _____
Title: _____

Address: 1600 Market Street
21st Floor S2-F070-21-1
Philadelphia, PA 19103
Attn: Kristen Talaber

LIST OF SCHEDULES AND EXHIBITS

Schedule 1.1	List of Banks and Ratable Shares
Exhibit A	Form of Reducing Note
Exhibit B	Financial Statements
Exhibit C	Projections
Exhibit D	Capitalization and Subsidiaries
Exhibit E Law	Proceedings, Litigation and Non-Compliance with
Exhibit F	Liens and Indebtedness
Exhibit G	List of Contracts, Commitments and Licenses
Exhibit H	ERISA Liabilities and Plans
Exhibit I	Real Property List
Exhibit J	Form of Compliance Certificate

SCHEDULE 1.1

List of Banks and Ratable Shares

Bank: -----	Ratable Share: -----
Key Corporate Capital Inc.	50%
PNC Bank, National Association	50%

STOCKHOLDERS AGREEMENT (this "Agreement"), dated as of the

[]th day of , 1998, among CROWN CASTLE
INTERNATIONAL CORP. (formerly named Castle Tower Holding Corp.),
a Delaware corporation (the "Company"), and each of the

STOCKHOLDERS of the Company listed in Schedule I hereto
(collectively, the "Stockholders" and each individually, a

"Stockholder").

W I T N E S S E T H :

WHEREAS the Company, Castle Transmission Services (Holdings) Ltd.
("CTSH"), TeleDiffusion de France International S.A., a company incorporated in

France ("TDF"), Digital Future Investments B.V. ("DFI (BV)") and certain

shareholders of CTSH are parties to a Share Exchange Agreement (the "Exchange

Agreement") pursuant to which DFI (BV) and such shareholders of CTSH have

agreed, subject to the terms and conditions of the Exchange Agreement, to
exchange (the "Exchange") their shares of capital stock of CTSH for Shares (as

defined) of the Company; and

WHEREAS, as an inducement to TDF, DFI (BV) and such shareholders of
CTSH to enter into the Exchange Agreement, the Company and each of the
Stockholders desire to enter into this Agreement, upon and subject to the
Closing of the Exchange, to provide for certain rights and obligations of the
Company and the Stockholders with respect to the governance of the Company and
the Stockholders' shares of Common Stock or, in the case of DFI (BV), DFI (BV)'s
shares of Class A Stock, following the consummation of the Exchange.

NOW THEREFORE, the Company and each of the Stockholders, for good and
valuable consideration, the receipt and sufficiency of which are hereby
acknowledged, agree as follows:

ARTICLE I

Definitions

SECTION 1.01. Certain Defined Terms. As used in this Agreement,

capitalized terms shall have the meanings assigned to such terms as set forth
below:

"Affiliate" and "Associate", when used with reference to any person,

shall have the respective meanings ascribed to such terms in Rule 12b-2 of the Exchange Act, as in effect on the date of this Agreement. In addition, (i) each of the Centennial Parties shall be deemed an Affiliate of the other, (ii) each of Nassau Parties shall be deemed an Affiliate of the other, (iii) each of the Berkshire Parties and shall be deemed an Affiliate of the other, and (iv) each of the Candover Parties shall be deemed an Affiliate of the other.

"Amended and Restated Stockholders Agreement" shall mean the Amended

and Restated Stockholders Agreement, dated August 15, 1997, as amended, among the Company, certain stockholders of the Company and certain investors.

"Applicable Law" shall have the meaning given to such term in the

Exchange Agreement.

"BBC" shall mean The British Broadcasting Corporation.

"BBC Contracts" shall mean the BBC Analogue Transmission Contract

among the BBC and Castle Transmission International Ltd. ("CTI"), dated as of February 28, 1997, and the BBC Digital Transmission Contract among the BBC and CTI, dated as of February 10, 1998.

A person shall be deemed the "beneficial owner" of, and shall be

deemed to "beneficially own", and shall be deemed to have "beneficial ownership" of:

(i) any securities that such person or any of such person's Affiliates or Associates is deemed to "beneficially own" within the meaning of Rule 13d-3 under the Exchange Act, as in effect on the date of this Agreement; and

(ii) any securities (the "underlying securities") that such person or any of such person's Affiliates or Associates has the right to acquire (whether such right is exercisable immediately or only after the passage of time) pursuant to any agreement, arrangement or understanding (written or oral), or upon the exercise of conversion rights, exchange rights, rights, warrants or options, or otherwise (it being understood that such person shall also be deemed to be the beneficial owner of the securities convertible into or exchangeable for the underlying securities).

"Berkshire Group" shall mean the Berkshire Parties, their Affiliates

 and their respective partners and members, collectively.

"Berkshire Parties" shall mean Berkshire Fund III, A Limited

 Partnership, Berkshire Investors LLC and Berkshire Fund IV, Limited Partnership.

"Board" shall mean the Board of Directors of the Company.

"Business Combination" shall have the meaning given to it in the

 Governance Agreement.

"Business Day" shall mean any day that is not a Saturday, a Sunday, a

 bank holiday or any other day on which commercial banking institutions in New
 York, New York, Paris, France or London, England are not generally open for
 business.

"By-laws" shall mean the By-laws of the Company to be adopted with

 immediate effect upon the Closing, as amended from time to time in accordance
 with the terms of the Governance Agreement and applicable law.

"Candover Group" shall mean the Candover Parties, their Affiliates and

 the limited partners of the Candover Parties, collectively.

"Candover Group Interest" shall mean the percentage of Voting Power

 that is controlled, directly or indirectly, by the Candover Group.

"Candover Parties" shall mean Candover Investments plc, Candover

 (Trustees) Limited, Candover Partners Limited (a company incorporated in England
 and Wales as general partner of the Candover 1994 UK Limited Partnership),
 Candover Partners Limited (a company incorporated in England and Wales as
 general partner of the Candover 1994 UK No. 2 Limited Partnership), Candover
 Partners Limited (a company incorporated in England and Wales as general partner
 of the Candover 1994 US No. 1 Limited Partnership) and Candover Partners Limited
 (a company incorporated in England and Wales as general partner of the Candover
 1994 US No. 2 Limited Partnership).

"Centennial Group" shall mean the Centennial Parties, their Affiliates

 and their respective partners, collectively.

"Centennial Parties" shall mean Centennial Fund IV, L.P., Centennial

 Fund V, L.P. and Centennial Entrepreneurs Fund V, L.P.

"Charter" shall mean the certificate of incorporation of the Company

 to be adopted with immediate effect upon the Closing, as amended from time to
 time in accordance with the terms of the Governance Agreement and applicable
 law.

"Class A Stock" shall mean the Company's Class A Common Stock, \$.01

 par value per share, as designated in the Charter.

"Closing" shall have the meaning given to such term in the Exchange

 Agreement.

"Commission" shall mean the Securities and Exchange Commission, or any

 other Federal agency at the time administering the Securities Act and the
 Exchange Act.

"Common Stock" shall mean the shares of the Company's common stock,

 par value \$.01 per share, as designated in the Charter.

"Company Call Right" shall have the meaning set forth in Section 6.02

 of the Governance Agreement.

"Crown Group" shall mean the Crown Parties and their permitted

 transferees.

"Crown Parties" shall mean Robert A. Crown and Barbara Crown.

"CTSH Option" shall have the meaning set forth in the Governance

 Agreement.

"CTSH Ordinary Shares" shall mean the ordinary shares of 1p each of

 CTSH.

"CTSH Preference Shares" shall mean the redeemable preference shares

 of 1p each of CTSH.

"CTSH Warrants" shall mean the warrants dated February 28, 1997,

 entitling TDF to subscribe for 257,000 CTSH Ordinary Shares and 257,242,500 CTSH
 Preference Shares and the Company to subscribe for 515,000 CTSH Ordinary Shares
 and 514,485,000 CTSH Preference Shares.

"Director" shall mean a Director of the Company.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as

 amended, or any similar Federal securities

statute, and the rules and regulations of the Commission thereunder, all as the same shall be in effect at the time.

"Exchange Agreement" shall mean the Share Exchange Agreement dated as of April 24, 1998, among the Company, CTSH, DFI (BV), TDF and certain shareholders of CTSH.

"Governance Agreement" shall mean the Governance Agreement, dated as of [], 1998, between TDF, DFI (BV) and the Company.

"group" shall have the meaning given to such term in Section 13(d)(3) of the Exchange Act.

"Group" or "Groups" shall mean any and all of the TDF Group, the Candover Group, the Crown Group, the Initial Stockholder Group, the Centennial Group, the Berkshire Group, the Nassau Group and the Management Group.

"Independent Director" shall mean a Director who is none of (i) an officer, employee, Affiliate or Associate of the Company or an officer, employee or Director of any Affiliate or Associate of the Company or (ii) an officer, employee, Director, Affiliate or Associate of any Stockholder.

"Initial Stockholder" shall mean Ted B. Miller, Jr.

"Initial Stockholder Group" shall mean the Initial Stockholder and its permitted transferees, collectively.

"IPO" shall have the meaning given to such term in the Exchange Agreement.

"Nassau Group" shall mean the Nassau Parties, their Affiliates and their respective partners, collectively.

"Nassau Parties" shall mean Nassau Capital Partners II, L.P. and NAS Partners I, L.L.C.

"Newco" shall mean any person which becomes a holding company of the Company all the shares in which (other than shares not exceeding the Relevant Percentage (as defined in the Governance Agreement)) are held by the same persons as were stockholders in the Company prior to such person becoming a holding company of the Company.

"Original Stockholders Agreement" shall mean the Amended and Restated Stockholders Agreement, dated as of August 15, 1997, as amended, by and among the Company and certain Stockholders.

"Ownership Interest" shall mean, with respect to any person, the

percentage of Total Voting Power determined on the basis of the number of shares of Voting Securities actually outstanding that is controlled, directly or indirectly, by such person.

"permitted transferee" of any person shall mean (a) if the transferor

is a natural person, (i) in the case of the death of such person, such person's executors, administrators, testamentary trustees, heirs, devisees and legatees, (ii) such person's current or future spouse, parents, siblings or descendants or such parents', siblings' or descendants' spouses (each a "Family Member"), (iii) any trust for the benefit of any Family Member and (iv) any charitable organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code") and any charitable income or lead trust for which, under the Code and regulations thereunder and Internal Revenue Service interpretations thereof, an income, gift or estate tax charitable deduction is available to the grantor of the trust, (b) whether or not the transferor is a natural person, a corporation or corporations and a partnership or partnerships (or other entity for collective investment, such as a fund or a limited liability company) which at the date of transfer are directly or indirectly controlled by, controlling or under common control with such person and the officers, employees, general partners and limited partners of such person, and (c) if the transferor, whether or not a natural person, itself received the transferred interest as a permitted transferee as to the original transferor, a permitted transferee of such person is any person, whether or not a natural person, who would be a permitted transferee under subparagraph (a) or (b) above, as to the original transferor; provided that any such transferee shall agree in

writing with the Company and the other parties to this Agreement to be bound by all of the provisions of this Agreement to the same extent as if such transferee were the individual.

"person" shall mean an individual, corporation, limited liability

company, partnership, joint venture, trust or unincorporated organization, or a government or any agency or political subdivision thereof and shall include any "group" (which shall have the meaning given to such term in Section 13(d)(3) of the Exchange Act).

"Qualified" shall have the meaning given to such term in the

Governance Agreement.

"Restricted Shares" shall mean the shares of Common Stock and Class A

Stock of the Company which are (i) issued or issuable to any of the Stockholders of the Company and (ii) "restricted securities" as defined in Rule 144(a)(3) under the Securities Act.

"Securities Act" shall mean the Securities Act of 1933, as amended, or

any similar Federal securities statute, and the rules and regulations of the Commission thereunder, all as the same shall be in effect at the time.

"Shares" shall mean all shares of Common Stock (and Class A Stock, in

the case of TDF and DFI (BV)).

"Subsidiary" or "Subsidiaries" when used with respect to any person

shall mean (i) any other person, whether incorporated or unincorporated, which is either required to be consolidated with such person under U.S. generally accepted accounting principles or (ii) is an affiliate controlled by such person, directly or indirectly through one or more intermediaries within the meaning of Rule 1.02(x) of Regulation S-X under the Exchange Act.

"TDF CCIC Warrants" shall mean the warrants issued to TDF upon the

exercise of the TDF Put Right in exchange for, and on substantially the same terms as, the TDF CTSW Warrants.

"TDF Change of Control" shall have the meaning given to such term in

the Governance Agreement.

"TDF Consolidated Group Interest" shall mean the percentage of Voting

Power that is controlled directly or indirectly by the TDF Group or would be controlled directly or indirectly by the TDF Group on the exercise of the TDF Put Right (assuming the exercise of the TDF CTSW Warrants).

"TDF CTSW Warrants" shall mean the CTSW Warrants beneficially owned by

the TDF Group.

"TDF Group" shall mean TDF and its Affiliates (other than the Company

and its Subsidiaries).

"TDF Group Interest" shall mean the percentage of Voting Power that is

controlled, directly or indirectly, by the TDF Group or would be controlled, directly or indirectly, by the TDF Group (assuming the exercise of the TDF CCIC Warrants).

"TDF Put Right" shall have the meaning set forth in Section 6.01(a) of

 the Governance Agreement.

"TDF Rollup" shall have the meaning set forth in the Governance

 Agreement.

"Total Voting Power" means the aggregate number of votes entitled to

 be voted in an election of Directors by all the outstanding Voting Securities.

"Transaction Documents" shall have the meaning set forth in the

 Exchange Agreement.

"Voting Power", when used with reference to any class or series of

 securities of the Company, or any classes or series of securities of the Company
 entitled to vote together as a single class or series, shall mean the power of
 such class or series (or such classes or series) to vote for the election of
 directors. For purposes of determining the percentage of Voting Power of any
 class or series (or classes or series) beneficially owned by any person, any
 securities not outstanding which are subject to conversion rights, exchange
 rights, rights, warrants, options or similar securities held by such person
 shall be deemed to be outstanding for the purpose of computing the percentage of
 outstanding securities of the class or series (or classes or series)
 beneficially owned by such person, but shall not be deemed to be outstanding for
 the purpose of computing the percentage of the class or series (or classes or
 series) beneficially owned by any other person.

"Voting Securities", when used with reference to any person, shall

 mean any securities of such person having Voting Power or any securities
 convertible into or exchangeable for any securities having Voting Power.

SECTION 1.02. Securities Outstanding. In determining the number or

 other amount outstanding of any securities of the Company or the percentage of
 Voting Power of any class or series beneficially owned by such person,
 securities owned by the Company or any of its Subsidiaries shall be deemed to be
 not outstanding.

ARTICLE II

Securities Act; Legends -----

SECTION 2.01. General Restriction. Any of the Stockholders may sell

 or otherwise transfer any Shares or

any interest therein; provided, that such sale or other transfer is in

 compliance with this Agreement, the other Transaction Documents and the Securities Act.

SECTION 2.02. Legends on Certificates. (a) Each Stockholder shall

 hold in certificate form all Shares owned by such Stockholder. Each certificate evidencing Shares issued to or beneficially owned by a person that is subject to the provisions of this Agreement shall bear the following legend:

"THE SECURITIES EVIDENCED BY THIS CERTIFICATE ARE SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER AS SET FORTH IN A STOCKHOLDERS AGREEMENT, DATED AS OF [], 1998, AS IT MAY BE AMENDED FROM TIME TO TIME, A COPY OF WHICH IS ON FILE AT THE PRINCIPAL EXECUTIVE OFFICES OF THE ISSUER. NO REGISTRATION OF TRANSFER OF SUCH SECURITIES WILL BE MADE ON THE BOOKS OF THE ISSUER UNLESS AND UNTIL SUCH RESTRICTIONS SHALL HAVE BEEN COMPLIED WITH. IN ADDITION, THE SECURITIES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. NO REGISTRATION OF TRANSFER OF SUCH SECURITIES WILL BE MADE ON THE BOOKS OF THE ISSUER UNLESS SUCH TRANSFER IS MADE IN CONNECTION WITH AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH ACT OR PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF SUCH ACT."

(b) In the event that a Stockholder requests that the legend in Section 2.02(a) be removed, the Company shall, upon the written request of the holder thereof, issue to such holder a new certificate evidencing such Shares without the legend required by Section 2.02(a) endorsed thereon; provided;

 however, that such holder shall furnish the Company or its transfer agent such

 certificates, legal opinions or other information as the Company or its transfer agent may reasonably require to confirm that the legend is not required on such certificate.

(c) In the event that any Shares shall cease to be subject to the restrictions on transfer set forth in this Agreement, the Company shall, upon the written request of the holder thereof, issue to such holder a new certificate evidencing such Shares without the legend required by Section 2.02(a).

SECTION 2.03. Notice of Proposed Transfer. Prior to any proposed

 transfer of any Shares (other than under the circumstances described in Sections 4.01, 4.02 or 4.03), the holder thereof shall give written notice to the Company of

its intention to effect such transfer. Each such notice shall describe the manner of the proposed transfer and, if requested by the Company, shall be accompanied by an opinion of counsel satisfactory to the Company to the effect that the proposed transfer may be effected without registration under the Securities Act and any applicable state securities laws, whereupon the holder of such stock shall be entitled to transfer such stock in accordance with the terms of its notice; provided, however, that no such opinion of counsel shall be

required for a transfer, without receipt of consideration, to an Affiliate. Each certificate for Shares transferred as above provided shall bear the legend set forth in Section 2.02, except that such certificate shall not bear such legend if (a) such transfer is in accordance with the provisions of Rule 144 (or any other rule permitting public sale without registration under the Securities Act) or (b) the opinion of counsel referred to above is to the further effect that the transferee and any subsequent transferee (other than an Affiliate of the Company) would be entitled to transfer such securities in a public sale without registration under the Securities Act. The restrictions provided for in this Section 2.03 shall not apply to securities which are not required to bear the legend prescribed by Section 2.02 in accordance with the provisions of that Section.

SECTION 2.04. Stop Transfer. (a) The Company shall not register the

sale or other transfer of any Shares, unless the transferee and the transferor of such shares have furnished such certificates, legal opinions or other information as the Company or its transfer agent may reasonably require to confirm that such proposed sale or transfer is permitted by Section 2.01.

(b) The Company and each Stockholder hereby agree that any purported sale or transfer of Shares not permitted by Section 2.01 shall be deemed null and void and shall not be given effect or recognition by the Company.

SECTION 2.05. Certain Transferees to Execute Agreement. Each

Stockholder agrees that it will not, directly or indirectly, sell or otherwise transfer any Shares held by such Stockholder to any of its Affiliates or permitted transferees, unless, prior to the consummation of any such sale or transfer, the Affiliate or permitted transferee to whom such sale or transfer is proposed to be made (a "Prospective Transferee") (i) executes and delivers to

the Company and each other party to this Agreement a counterpart hereof and (ii) represents and warrants in writing to the Company that such counterpart has been duly

authorized, executed and delivered by such Prospective Transferee and is a legal, valid and binding obligation of such Prospective Transferee enforceable against it in accordance with its terms, subject to insolvency, bankruptcy and other laws affecting creditors generally. Upon the execution and delivery by such Prospective Transferee of the documents referred to in the preceding sentence, such Prospective Transferee shall be deemed a "Stockholder" for the purposes of this Agreement, and shall have the rights and be subject to the obligations of a Stockholder hereunder with respect to the Shares held by such Prospective Transferee.

SECTION 2.06. Sale to a Third Party. If a sale or transfer of Shares

is made by a Stockholder to a third party (except for transfers within the TDF Group, the Berkshire Group, the Centennial Group, the Candover Group, the Nassau Group or otherwise to an Affiliate or to any permitted transferee) (a "Third Party Transferee"), such Shares shall immediately cease to be subject to this

Agreement and such Third Party Transferee will not become a Stockholder for purposes of this Agreement. If a sale or transfer of Shares results in the selling Stockholder or a permitted transferee ceasing to own any Shares, such selling Stockholder shall cease to be a Stockholder for purposes of this Agreement.

ARTICLE III

Governance

SECTION 3.01. Board of Directors. The Board shall consist of 12

members.

SECTION 3.02. Board Representation. (a) At all times from and after

the date hereof, the Directors shall be nominated as follows (it being understood that such nomination shall include any nomination of any incumbent Director for reelection to the Board):

(i) so long as TDF is Qualified, TDF shall have the right to appoint two Directors pursuant to the terms of the Class A Stock set forth in the Charter (the "TDF Designees") and the initial TDF Designees shall be Michel

Azibert and Bruno Chetaille; provided, however, that if TDF is not

Qualified, such members of the TDF Group shall, so long as the Ownership Interest of the TDF Group is at least 5.0%, have the right to

appoint a Director pursuant to the terms of such Class A Stock (the "TDF
 Designee");

(iii) so long as the Initial Stockholder Group maintains an Ownership Interest, the members of the Initial Stockholder Group holding in the aggregate a majority of the aggregate number of Shares held of record by the Initial Stockholder Group shall have the right to designate one nominee for election as a Director (the "Initial Stockholder Designee"), it being

 understood that the Initial Stockholder may be such nominee;

(iv) the Chief Executive Officer of the Company shall have the right to designate one nominee for election as a Director (the "CEO Designee");

(v) so long as the Ownership Interest of the Centennial Group is at least 5.0%, the members of the Centennial Group holding in the aggregate a majority of the aggregate number of Shares held of record by the Centennial Group shall have the right to designate one nominee for election as a Director (the "Centennial Designee");

(vi) so long as the Ownership Interest of the Berkshire Group is at least 5.0%, the members of the Berkshire Group holding in the aggregate a majority of the aggregate number of Shares held of record by the Berkshire Group shall have the right to designate one nominee for election as a Director (the "Berkshire Designee");

(vii) so long as the Ownership Interest of the Nassau Group is not less than the Ownership Interest of the Nassau Group immediately following the closing of the IPO, the members of the Nassau Group holding in the aggregate a majority of the aggregate number of Shares held of record by the Nassau Group shall have the right to designate one nominee for election as a Director (the "Nassau Designee"); and

(viii) all Directors other than the Designees ("General Directors")

 shall be nominated in accordance with the Charter and By-laws; provided,

 however, that immediately upon the effectiveness of this Agreement, the

 Company, through the Board, shall cause to be duly appointed to the Board
 at least four Independent Directors (including for the avoidance of doubt,
 the Independent Director designated for nomination by TDF as set forth
 below); provided, however, that TDF shall have a one-time right,

 exercisable upon the Closing, to designate one such Independent Director
 for nomination as a Director, which designee shall be Mr. William A.
 Murphy. For purposes of this Section 3.02(a)(viii), Mr. Robert F.
 McKenzie, Mr. J. Landis Martin and Mr. Edward C. Hutcheson, Jr. shall be
 deemed to be Independent Directors.

(b) Without limiting the generality of Section 3.02(a), in the event
 that at any time after the date hereof the number of Directors designated by a
 Group pursuant to Section 3.02(a) differs from the number that such Group has
 the right (and desire) to designate, (i) if the number of such Directors exceeds
 such number, such Group shall promptly take all appropriate action to cause to
 resign that number of Directors designated by such Group as is required to make
 the remaining number of such Directors conform to the provisions of this
 Agreement or (ii) if the number of such Directors otherwise is less than such
 number, the Board shall take all necessary action to create sufficient vacancies
 on the Board to permit such Group to designate the full number of Directors
 which it is entitled (and desires) to designate pursuant to the provisions of
 this Agreement (such action may include but need not be limited to seeking the
 resignation or removal of Directors or, at the request of such Group and/or
 calling a special meeting of the stockholders of the Company for the purpose of
 removing Directors to create such vacancies to the extent permitted by
 applicable law). Upon the creation of any vacancy pursuant to the preceding
 sentence, such Group shall designate a nominee to fill any such vacancy in
 accordance with the provisions of this Agreement and the Board shall elect each
 nominee so designated.

(c) Subject to TDF's right pursuant to Section 3.02(a)(viii), no
 Group shall be entitled to designate any nominee for election as a Director
 under more than one paragraph of this Section 3.02.

SECTION 3.03. Removal of Directors. (a) At the request of a Group

 with respect to a Director designated by

such Group pursuant to Section 3.02(a), each other Stockholder hereby agrees to vote or act by written consent with respect to (or cause to be voted or acted upon written consent) all Shares held of record or beneficially owned by such Stockholder at the time of such vote or action by written consent or as to which such Stockholder has voting control at the time of such vote or action by written consent to remove or cause the removal from office of such Director at any meeting or action by written consent of the holders of Shares called or taken for the purpose of determining whether or not such Director shall be removed from office (and otherwise shall not vote or act by written consent to remove or cause the removal of any Director without cause).

(b) If any Group entitled to designate any person for election as a Director pursuant to Section 3.02(a) shall cease to have at least the requisite Ownership Interest to entitle such Group to designate any person for election as a Director pursuant to Section 3.02(a), such Group's right to designate a nominee or nominees for election as a Director shall be lost for all time and such Group shall cause each Designee designated by such Group and elected as a Director to resign from the Board; provided that such Designee shall continue to -----
serve on the Board until a successor shall be duly elected and shall qualify in accordance with the Charter and By-laws.

SECTION 3.04. Filling of Vacancies. (a) Except as provided in -----

subparagraph (b) below, each Group shall have the right to designate a replacement for any Designee designated by such Group and elected as a Director upon the death, resignation, retirement, disqualification or removal from office for other cause of such Designee, and those members of the Board who are designated by the parties to this Agreement shall duly appoint as a Director each person so designated.

(b) Any vacancies on the Board (i) resulting from the death, resignation, retirement, disqualification or removal from office for other cause of a General Director and (ii) created by a resignation pursuant to Section 3.03(b) shall be filled with a Director or Directors that are nominated by the Nominating Committee; provided, however, that if the Nominating Committee shall -----
be unable to unanimously agree on the approval of a designee to be nominated to fill any vacancy on the Board for a period of six months, the Nominating Committee shall submit a slate of candidates to the Independent Directors of the Board, who shall by a majority approve a designee from such slate to be

nominated to fill such vacancy; provided, further, that if the Independent

 Directors shall also be unable to agree on the approval of such a designee by a majority for a period of two months, then the Board shall approve a designee from such slate or upon its own selection to fill such vacancy by a Special Majority Vote.

SECTION 3.05. Solicitation and Voting of Shares. (a) With respect to

 each meeting of stockholders of the Company at which Directors are to be elected, the Company shall use its best efforts to solicit from the stockholders of the Company eligible to vote in the election of Directors proxies in favor of the nominees selected in accordance with Section 3.02(a) or 3.04(b) (including without limitation the inclusion of each Director nominee in management's slate of nominees and in the proxy statement prepared by management of the Company in respect of each annual meeting, vote or action by written consent).

(b) Each Stockholder hereby agrees to vote or act by written consent with respect to (or cause to be voted or acted upon by written consent) (i) all Shares held of record or beneficially owned by such Stockholder at the time of such vote or action by written consent and (ii) all Shares as to which such Stockholder at the time of such vote or action by written consent has voting control, in each case (A) in favor of the election of the persons nominated pursuant to Section 3.02(a) to serve on the Board as Directors and (B) against the election of any other person nominated to be a Director.

(c) Each Stockholder agrees that it will, and will use its best efforts to cause its Affiliates (other than the Company and its Subsidiaries) to, take all action as a stockholder of the Company or as is otherwise reasonably within its control, as necessary to effect the provisions of this Agreement.

(d) In the event that any Stockholder shall fail at any time to vote or act by written consent with respect to any of such Stockholder's Shares as agreed by such Stockholder in this Agreement, such Stockholder hereby irrevocably grants to and appoints each other Stockholder (and any officer of such Stockholder or each of them individually), such Stockholder's proxy and attorney-in-fact (with full power of substitution), for and in the name, place and stead of such Stockholder, to vote, act by written consent or grant a consent, proxy or approval in respect of such Shares with respect to such vote or action by written consent exclusively as agreed by such Stockholder in this

Agreement. Each Stockholder hereby affirms that any such irrevocable proxy set forth in this Section 3.05(d) is given in connection with the Closing of the Exchange pursuant to the Exchange Agreement and that such irrevocable proxy is given to secure the performance of the obligations of such Stockholder under this Agreement. Each such Stockholder hereby further affirms that any such proxy hereby granted shall be irrevocable and shall be deemed coupled with an interest, in accordance with Section 212(e) of the Delaware General Corporation Law.

SECTION 3.06. Committees of the Board. Subject to the general

oversight and authority of the full Board, the Board shall establish, empower, maintain and elect the members of the following committees of the Board at all times while this Agreement is in effect:

(a) an Audit Committee, comprised solely of Independent Directors;

(b) a Nominating Committee, which shall, subject to Section 3.02, be responsible for recommending the nomination of Directors and which shall initially consist of four Directors; provided, however, that the Nominating

Committee shall include the Chief Executive Officer of the Company, unless he is unwilling or unable to serve pursuant to the terms and conditions of this Agreement, and, so long as TDF is Qualified, at least one TDF Designee;

(c) an Executive Committee, which shall initially consist of five Directors and which, so long as TDF is Qualified, shall include at least one TDF Designee who is elected to the Board;

(d) a Compensation Committee; and

(e) such other committees as the Board deems necessary or desirable to establish, empower and maintain as required by applicable law or any regulatory authority; provided that such committees are established in

compliance with the terms of this Agreement.

SECTION 3.07. Certain Board Procedures. The Board shall follow the

following procedures:

(a) Meetings. The Board shall hold at least six regularly scheduled

meetings per year at such times as may from time to time be fixed by resolution of the Board, and

no notice (other than the resolution) need be given as to a regularly scheduled meeting. Special meetings of the Board may be held at any time upon the call of the Chairman of the Board or at least one-third of the entire Board, by oral, telephonic, telegraphic or facsimile notice duly given or sent at least three days, or by written notice sent by express mail at least three days, before the meeting to each Director, provided that all such notices to Directors located outside the United States shall be given or sent orally or by telephone, telegraph or facsimile transmission. Reasonable efforts shall be made to ensure that each Director actually receives timely notice of any such special meeting. An annual meeting of the Board shall be held without notice immediately following the annual meeting of stockholders of the Company.

(b) Agenda. A reasonably detailed agenda shall be supplied to each

Director reasonably in advance of each meeting of the Board, together with other appropriate documentation with respect to agenda items calling for Board action, to inform adequately Directors regarding matters to come before the Board. Any Director wishing to place a matter on the agenda for any meeting of the Board may do so by communicating with the Chairman of the Board sufficiently in advance of the meeting of the Board so as to permit timely dissemination to all Directors of information with respect to the agenda items.

(c) Powers of the Board. The Board shall reserve to itself the power

to approve transactions that are of a type customarily subject to Board approval as a matter of good corporate practice for public companies in the United States, and shall not delegate to any committee of the Board or to any officers of the Company the authority to conduct business in any manner that would circumvent, or deprive any Stockholder of the protection of this Agreement or TDF of the protection of the Governance Agreement. All committees of the Board will report to and be accountable to the Board. The Board shall establish, in cooperation with the Chief Executive Officer of the Company, a schedule for Board review or action, as appropriate, with respect to matters which shall typically come before the Board, including, but not limited to:

(i) annual business plans (including capital expenditures and operating budgets); and

(ii) appointments of officers.

SECTION 3.08. Charter and By-laws. The Company and each Stockholder

 shall take or cause to be taken all lawful action necessary to ensure at all times that the Charter and By-laws are not at any time inconsistent with the provisions of this Agreement, it being understood that in the event of any conflict between this Agreement and the Charter or By-laws, the Charter or By-laws, as applicable, shall control.

SECTION 3.09. Negative Covenants. Notwith standing any other

 provision of the Transaction Documents, neither the Company nor any Stockholder shall take or approve any action which would result in the BBC having the right to terminate a BBC Contract in accordance with the terms of such BBC Contract.

SECTION 3.10. Company Name. So long as the Ownership Interest of the

 Crown Group is at least 1% or they otherwise consent in writing, the Company covenants and agrees (subject to the limitations below) to use its best efforts to (i) retain a name beginning with "Crown Castle", (ii) retain or cause the name of its principal Affiliate owning communication towers in the United States to be "Crown Communication Inc." ("CCI"), (iii) upon a merger, consolidation, amalgamation, roll-up or any other transaction with a similar effect involving the Company (including, without limitation, a merger or roll-up involving Castle Transmission Services (Holdings) Ltd. or any of its Affiliates), to cause the successor or surviving entity to retain or have a name beginning with "Crown Castle" (iv) all of the Company's operations in the United States will be conducted by CCI, and any subsidiaries or affiliates of the Company or CCI conducting such operations will include the name "Crown" first in their corporate name or will otherwise be conducted under the name "Crown" consistent with the provisions of the Memorandum of Understanding Regarding Management and Governance of Castle Tower Holding Corp. and Crown Communications, Inc., dated as of August 15, 1997 relating to CCI, and (v) CCI and all of its United States subsidiaries will retain the current "Crown" logo. Notwithstanding the above, the above covenants and agreement shall not (a) require the Company (including any successor entity), any stockholder of the Company or member of the Board to incur any costs, expenses or losses of any nature or amount including, without limitation, losses relating to potential corporate opportunity or foregone stockholder value (price, content or any other item), (b) prevent or delay the Company (including any successor entity) from consummating or negotiating any proposed transaction or (c) require any member of the Board to breach any duty and obligation to the Company or its stockholders. Consent of the Crown Group shall be deemed given if written consent is obtained from members of the Crown Group holding more than 50% of the Common Stock held by such persons at the time of the determination.

ARTICLE IV

Registration Rights
-----SECTION 4.01. "Piggy-Back" Registration. If the Company at any time

proposes to register any of its securities under the Securities Act for sale to the public, whether for its own account or for the account of other security holders or both (except with respect to registration statements on Forms S-4, S-8 or another form not available for registering the Restricted Shares for sale to the public), each such time it will give written notice to all holders of outstanding Restricted Shares of its intention so to do. Upon the written request of any such holder, received by the Company within 20 days after the giving of any such notice by the Company, to register any of its Restricted Shares, the Company will, subject as provided below, cause the Restricted Shares as to which registration shall have been so requested to be included in the securities to be covered by the registration statement proposed to be filed by the Company, all to the extent requisite to permit the sale or other disposition by the holder of such Restricted Shares so registered. In the event that any registration pursuant to this Section 4.01 shall be, in whole or in part, an underwritten public offering of Common Stock, the number of Restricted Shares to be included in such an underwriting may be reduced (pro rata among the requesting holders based upon the number of Restricted Shares owned by such holders) if and to the extent that the managing underwriter shall be of the opinion that such inclusion would adversely affect the marketing of the securities to be sold by the Company therein; provided, however, that such

number of Restricted Shares shall not be reduced if any shares are to be included in such underwriting for the account of any person other than the Company or requesting holders of Restricted Shares. Notwithstanding the foregoing provisions, the Company may withdraw any registration statement referred to in this Section 4.01 without thereby incurring any liability to the holders of Restricted Shares. There shall be no limit to the number of registrations of Restricted Shares which may be effected under this Section 4.01.

SECTION 4.02. Demand Registration. (a) At any time after the

expiration of six months after the IPO, TDF may request the Company to register under the Securities Act all or a portion of the shares of Restricted Shares held by it for sale in the manner specified in such notice; provided, that (i)

the reasonably anticipated aggregate net proceeds to the sellers from such public offering would exceed \$30,000,000, (ii)

such request covers at least 5% of the Voting Securities then outstanding and (iii) no such request may be made by TDF more than once every nine months. Notwithstanding anything to the contrary contained herein, no request may be made under this Section 4.02 within 90 days after the effective date of a registration statement filed by the Company covering a firm commitment underwritten public offering in which the holders of Restricted Shares shall have been entitled to join pursuant to Sections 4.01 or 4.03 and in which there shall have been effectively registered all shares of Restricted Shares as to which registration shall have been requested.

(b) At any time after the expiration of six months after the IPO, any Stockholder or group of Stockholders may request the Company to register under the Securities Act all or a portion of the shares of Restricted Shares held by such Stockholder or group of Stockholders for sale in the manner specified in such notice; provided, that (i) the reasonably anticipated aggregate net

proceeds to the sellers from such public offering would exceed \$30,000,000, (ii) such request covers at least 5% of the Voting Securities then outstanding and (iii) no such request may be made by such Stockholders or group of Stockholders more than once every nine months. Notwithstanding anything to the contrary contained herein, no request may be made under this Section 4.02 within 90 days after the effective date of a registration statement filed by the Company covering a firm commitment underwritten public offering in which the holders of Restricted Shares shall have been entitled to join pursuant to Sections 4.01 or 4.03 and in which there shall have been effectively registered all shares of Restricted Shares as to which registration shall have been requested.

(c) Following receipt of any notice under this Section 4.02, the Company shall immediately notify all holders of Restricted Shares from whom notice has not been received and shall use its best efforts to register under the Securities Act, for public sale in accordance with the method of disposition specified in such notice from requesting holders, the number of shares of Restricted Shares specified in such notice (and in all notices received by the Company from other holders within 20 days after the giving of such notice by the Company). If such method of disposition shall be an underwritten public offering, the holders of a majority of the shares of Restricted Shares to be sold in such offering may designate the managing underwriter of such offering, subject to the approval of the Company, which approval shall not be unreasonably withheld or delayed. The Company shall be obligated to register

Restricted Shares pursuant to Section 4.02(a) on three occasions only and pursuant to Section 4.02(b) on three occasions only, provided, however, that

 such obligations shall be deemed satisfied only when a registration statement covering all shares of Restricted Shares specified in notices received as aforesaid, for sale in accordance with the method of disposition specified by the requesting holders, shall have become effective and, if such method of disposition is a firm commitment underwritten public offering, all such shares shall have been sold pursuant thereto unless (i) any such registration statement does not become effective due to the withdrawal thereof by or on the request of the holders of 66 2/3% of the shares of Restricted Shares to be registered or (ii) the reason all shares of Restricted Shares specified in notices pursuant to this Section 4.02 are not registered is due to a limitation on the registration of shares by the managing underwriter (which limitation shall be applied pro rata) and no more than 50% of the Restricted Shares so specified are not registered as a result of the limitation imposed by such managing underwriter or the voluntary withdrawal of any such shares from registration by the holder thereof.

(d) The Company shall be entitled to include in any registration statement referred to in this Section 4.02, for sale in accordance with the method of disposition specified by the requesting holders, shares of Common Stock to be sold by the Company for its own account, except as and to the extent that, in the opinion of the managing underwriter (if such method of disposition shall be an underwritten public offering), such inclusion would adversely affect the marketing of the Restricted Shares to be sold. Except for registration statements on Forms S-4, S-8 or any successor thereto, the Company will not file with the Commission any other registration statement with respect to its Common Stock, whether for its own account or that of other stockholders, from the date of receipt of a notice from requesting holders pursuant to this Section 4.02 90 days after the commencement of the public offering of the Restricted Shares covered by the registration statement requested pursuant to this Section 4.02.

SECTION 4.03. Registration on Form S-3. If at any time (a) a holder

 or holders of 5% of the Voting Securities request that the Company file a registration statement on Form S-3 or any successor thereto for a public offering of all or any portion of the Restricted Shares held by such requesting holder or holders, the reasonably anticipated aggregate price to the public of which would exceed \$30,000,000, and (b) the Company is a registrant

entitled to use Form S-3 or any successor thereto to register such shares, then the Company shall use its best efforts to register under the Securities Act on Form S-3 or any successor thereto, for public sale in accordance with the method of disposition specified in such notice, the number of shares of Restricted Shares specified in such notice. Whenever the Company is required by this Section 4.03 to use its best efforts to effect the registration of Restricted Shares, each of the procedures and requirements of Section 4.02 and 4.04 (including but not limited to the requirement that the Company notify all holders of Restricted Shares from whom notice has not been received and provide them with the opportunity to participate in the offering) shall apply to such registration, provided, however, the Company shall not be required to effect

more than seven registrations on Form S-3 which may be requested and obtained under this Section 4.03.

SECTION 4.04. Registration Procedures. If and whenever the Company

is required by the provisions of Sections 4.01, 4.02 or 4.03 to use its best efforts to effect the registration of any Restricted Shares under the Securities Act, the Company will, as expeditiously as possible:

(a) prepare and file with the Commission a registration statement with respect to such securities;

(b) prepare and file with the Commission such amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to keep such registration statement effective for the period specified in paragraph (i) below and comply with the provisions of the Securities Act with respect to the disposition of all Restricted Shares covered by such registration statement in accordance with the sellers' intended method of disposition set forth in such registration statement for such period;

(c) furnish to each seller of Restricted Shares and to each underwriter such number of copies of the registration statement and the prospectus included therein (including each preliminary prospectus) as such persons reasonably may request in order to facilitate the public sale or other disposition of the Restricted Shares covered by such registration statement;

(d) use its best efforts to register or qualify the Restricted Shares covered by such registration

statement under the securities or "blue sky" laws of such jurisdictions as the sellers of Restricted Shares or, in the case of an underwritten public offering, the managing underwriter reasonably shall request; provided,

however, that the Company shall not for any such purpose be required to

qualify generally to transact business as a foreign corporation in any jurisdiction where it is not so qualified or to consent to general service of process in any such jurisdiction;

(e) use its best efforts to list the Restricted Shares covered by such registration statement with any securities exchange or market on which the Common Stock of the Company, if applicable, is then listed or quoted;

(f) immediately notify each seller of Restricted Shares and each underwriter under such registration statement, at any time when a prospectus relating thereto is required to be delivered under the Securities Act, of the happening of any event of which the Company has knowledge as a result of which the prospectus contained in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing;

(g) at the request of any seller of Restricted Shares, use its best efforts to furnish on the date that Restricted Shares are delivered to the underwriters for sale pursuant to such registration: (i) an opinion dated such date of counsel representing the Company for the purposes of such registration, addressed to the underwriters and to such seller, stating that such registration statement has become effective under the Securities Act and that (A) to the best knowledge of such counsel, no stop order suspending the effectiveness thereof has been issued and no proceedings for that purpose have been instituted or are pending or contemplated under the Securities Act, (B) the registration statement, the related prospectus and each amendment or supplement thereof comply as to form in all material respects with the requirements of the Securities Act (except that such counsel need not express any opinion as to financial statements contained therein) and (C) to such other effects as reasonably may be requested by counsel for the underwriters or by such seller or its counsel

and (ii) a letter dated such date from the independent public accountants retained by the Company, addressed to the underwriters and to such seller, stating that they are independent public accountants within the meaning of the Securities Act and that, in the opinion of such accountants, the financial statements of the Company included in the registration statement or the prospectus, or any amendment or supplement thereof, comply as to form in all material respects with the applicable accounting requirements of the Securities Act, and such letter shall additionally cover such other financial matters (including information as to the period ending no more than five business days prior to the date of such letter) with respect to such registration as such underwriters reasonably may request;

(h) (i) make available for inspection by each seller of Restricted Shares, any underwriter participating in any distribution pursuant to such registration statement, and any attorney, accountant or other agent retained by such seller or underwriter, all financial and other records, pertinent corporate documents and properties of the Company, (ii) cause the Company's officers, Directors and employees to supply all information reasonably requested by any such seller, underwriter, attorney, accountant or agent in connection with such registration statement and (iii) provide each seller and its counsel with the opportunity to participate in the preparation of such registration statement;

(i) with respect to any registration statement pursuant to which Restricted Shares are to be sold pursuant to Sections 4.01, 4.02 or 4.03, the Company shall use its best efforts to cause such registration statement to become and remain effective for 180 days; and

(j) enter into such agreements and take such other actions as the sellers of Restricted Shares and the underwriters reasonably request in order to expedite or facilitate the disposition of such Restricted Shares including, without limitation, preparing for and participating in, such number of "road shows" and all such other customary selling efforts as the underwriters reasonably request in order to expedite or facilitate such disposition.

In connection with each registration hereunder, the sellers of Restricted Shares will furnish to the Company in writing such information with respect to themselves and the proposed distribution by them as shall be reasonably necessary in order to assure compliance with Federal and applicable state securities laws.

In connection with each registration pursuant to Sections 4.01, 4.02 or 4.03 covering an underwritten public offering, the Company and each seller agree to enter into a written agreement with the managing underwriter selected in the manner herein provided in such form and containing such provisions as are customary in the securities business for such an arrangement between such underwriter and companies of the Company's size and investment stature (it being understood that the Company will not require a selling stockholder to make any representation, warranty or agreement in such agreement other than with respect to such stockholder, the ownership of such stockholder's securities being registered and such stockholder's intended method of disposition). The representations and warranties by, and the other agreements on the part of, the Company to and for the benefit of the underwriters in such written agreement with the underwriters shall also be made to and for the benefit of the selling stockholders. In the event that any condition to the obligations under any such written agreement with the underwriters are not met or waived, and such failure to be met or waived is not attributable to the fault of the selling stockholders requesting a demand registration pursuant to Sections 4.02 and 4.03, such request for registration shall not be deemed exercised for purposes of determining whether such registration has been effected for purposes of Section 4.02 or 4.03.

SECTION 4.05. Expenses. Notwithstanding Section 10.10 of the

Exchange Agreement, all expenses incurred by the Company in complying with Sections 4.01, 4.02 or 4.03, including, without limitation, all registration and filing fees, printing expenses, fees and disbursements of counsel and independent public accountants for the Company, fees and expenses (including counsel fees) incurred in connection with complying with state securities or "blue sky" laws, fees of the National Association of Securities Dealers, Inc., transfer taxes, fees of transfer agents and registrars, costs of insurance and fees and disbursements of one counsel for the sellers of Restricted Shares, but excluding any Selling Expenses, are called "Registration Expenses". All

underwriting discounts and selling commissions applicable to the sale of Restricted Shares are called "Selling Expenses".

The Company will pay all Registration Expenses in connection with each registration statement under Sections 4.01, 4.02 or 4.03. All Selling Expenses in connection with each registration statement under Sections 4.01, 4.02 or 4.03 shall be borne by the participating sellers in proportion to the number of shares sold by each, or by such participating sellers other than the Company (except to the extent the Company shall be a seller) as they may agree.

SECTION 4.06. Indemnification and Contribution. (a) In the event of

 a registration of any of the Restricted Shares under the Securities Act pursuant to Sections 4.01, 4.02 or 4.03, the Company will indemnify and hold harmless each seller of such Restricted Shares thereunder, each underwriter of such Restricted Shares thereunder and each other person, if any, who controls such seller or underwriter within the meaning of the Securities Act, against any losses, claims, damages or liabilities, joint or several, to which such seller, underwriter or controlling person may become subject under the Securities Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in any registration statement under which such Restricted Shares were registered under the Securities Act pursuant to Sections 4.01, 4.02 or 4.03, any preliminary prospectus or final prospectus contained therein, or any amendment or supplement thereof, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and will reimburse each such seller, each such underwriter and each such controlling person for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that the

 Company will not be liable in any such case if and to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission so made in conformity with information furnished in writing by such seller, such underwriter or such controlling person specifically for use in such registration statement or prospectus.

(b) In the event of a registration of any of the Restricted Shares under the Securities Act pursuant to Sections 4.01, 4.02 or 4.03, each seller of such Restricted Shares thereunder, severally and not jointly, will indemnify

and hold harmless the Company, each person, if any, who controls the Company within the meaning of the Securities Act, each officer of the Company who signs the registration statement, each Director of the Company, each underwriter and each person who controls any underwriter within the meaning of the Securities Act, against all losses, claims, damages or liabilities, joint or several, to which the Company or such officer, Director, underwriter or controlling person may become subject under the Securities Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in the registration statement under which such Restricted Shares were registered under the Securities Act pursuant to Sections 4.01, 4.02, or 4.03, any preliminary prospectus or final prospectus contained therein, or any amendment or supplement thereof, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and will reimburse the Company and each such officer, Director, underwriter and controlling person for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that such seller will be liable

 hereunder in any such case if and only to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement of a material fact or omission or alleged omission of a material fact made in reliance upon and in conformity with information pertaining to such seller, as such, furnished in writing to the Company by such seller specifically for use in such registration statement or prospectus; and provided further, however, that the liability of each seller hereunder shall be

 limited to the proportion of any such loss, claim, damage, liability or expense which is equal to the proportion that the public offering price of the shares sold by such seller under such registration statement bears to the total public offering price of all securities sold thereunder, but not in any event to exceed the proceeds received by such seller from the sale of Restricted Shares covered by such registration statement.

(c) Promptly after receipt by an indemnified party hereunder of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party hereunder, notify the indemnifying party in writing thereof, but the omission so to notify the indemnifying party shall not

relieve it from any liability which it may have to such indemnified party other than under this Section 4.06 and shall only relieve it from any liability which it may have to such indemnified party under this Section 4.06 if and to the extent the indemnifying party is prejudiced by such omission. In case any such action shall be brought against any indemnified party and it shall notify the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate in and, to the extent it shall wish, to assume and undertake the defense thereof with counsel satisfactory to such indemnified party, and, after notice from the indemnifying party to such indemnified party of its election so to assume and undertake the defense thereof, the indemnifying party shall not be liable to such indemnified party under this Section 4.06 for any legal expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation and of liaison with counsel so selected; provided, however, that, if the defendants in

any such action include both the indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded that there may be reasonable defenses available to it which are different from or additional to those available to the indemnifying party or if the interests of the indemnified party reasonably may be deemed to conflict with the interests of the indemnifying party, the indemnified party shall have the right to select a separate counsel and to assume such legal defenses and otherwise to participate in the defense of such action, with the expenses and fees of such separate counsel and other expenses related to such participation to be reimbursed by the indemnifying party as incurred.

(d) In order to provide for just and equitable contribution to joint liability under the Securities Act in any case in which either (i) any indemnified party exercising rights under this Agreement, or any controlling person of any such holder, makes a claim for indemnification pursuant to this Section 4.06 but it is judicially determined (by the entry of a final judgment or decree by a court of competent jurisdiction and the expiration of time to appeal or the denial of the last right of appeal) that such indemnification may not be enforced in such case notwithstanding the fact that this Section 4.06 provides for indemnification in such case, (ii) contribution under the Securities Act may be required on the part of any such selling holder or any such controlling person in circumstances for which indemnification is provided under this Section 4.06, or (iii) the indemnification provided for by this Section 4.06 is insufficient to hold harmless an

indemnified party, other than by reason of the exceptions provided therein; then, and in each such case, the Company and such holder will contribute to the aggregate losses, claims, damages or liabilities to which they may be subject (after contribution from others) (x) in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and the indemnified party on the other or (y) if the allocation provided by clause (x) above is not permitted by Applicable Law, or provides a lesser sum to the indemnified party than the amount hereinafter calculated, in such proportion as is appropriate to reflect not only the relative fault referred to in clause (x) above but also the relative benefits received by the indemnifying party and the indemnified party from the offering of the securities (taking into account the portion of the proceeds of the offering received by each such party) as well as the statements or omissions which resulted in such losses, claims, damages or liabilities and any other relevant equitable considerations. No person will be required to contribute any amount in excess of the proceeds received by such person in respect of all such Restricted Shares offered and sold by it pursuant to such registration statement and no person or entity guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) will be entitled to contribution from any person or entity who was not guilty of such fraudulent misrepresentation.

SECTION 4.07. Changes in Common Stock; Successors. (a) If, and as

 often as, there is any change in the Common Stock or Class A Stock by way of a stock split, stock dividend, combination or reclassification, or through a merger, consolidation, reorganization or recapitalization, or by any other means, appropriate adjustment shall be made in the provisions hereof so that the rights and privileges granted hereby shall continue with respect to the Common Stock or Class A Stock as so changed.

(b) If the Company consolidates or merges into or with, another person or sells, assigns, conveys, transfers, leases or otherwise disposes of all or a majority of its assets to any person or group, or any person or group consolidates with, or merges into or with, the Company, each Stockholder shall, as a condition to the relevant transaction involving such person, group or successor in business, be granted by such person, group or successor in business (each a "Successor"), equivalent rights to the rights granted in this Agreement; provided, that in the case of a Successor which becomes a Successor in a

 transaction which constitutes a Business Combination (as such term is

defined in the Governance Agreement), such rights shall not include those granted under Article III of this Agreement.

SECTION 4.08. Rule 144 Reporting. With a view to making available

the benefits of certain rules and regulations of the Commission which may at any time permit the sale of Restricted Shares to the public without registration, at all times 90 days after any registration statement covering a public offering of securities of the Company under the Securities Act shall have become effective, the Company agrees to:

(a) make and keep public information available, as those terms are understood and defined in Rule 144 under the Securities Act;

(b) use its best efforts to file with the Commission in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act; and

(c) furnish to each holder of Restricted Shares forthwith upon request a written statement by the Company as to its compliance with the reporting requirements of such Rule 144 and of the Securities Act and the Exchange Act, a copy of the most recent annual or quarterly report of the Company, and such other reports and documents so filed by the Company as such holder may reasonably request in availing itself of any rule or regulation of the Commission allowing such holder to sell any Restricted Shares without registration.

SECTION 4.09. Suspension of Registration Obligations.

Notwithstanding the provisions of Section 4.04(a), (i) the Company's obligation to file a registration statement, or cause such registration statement to become and remain effective (a) may be suspended on one occasion for a period not to exceed 180 days if there exists at the time material nonpublic information relating to the Company which, in the reasonable opinion of the Company, should not be disclosed and (b) shall not apply for the period which begins seven days prior to and ends 90 days after the commencement of a public offering of the Common Stock, so long as the Company has fulfilled its notice obligations under Sections 4.01, 4.02 or 4.03 with respect to such offering and (ii) if a public offering of the Common Stock has been previously commenced, neither the Company nor any controlling person of the Company shall commence another

public offering of the Common Stock until 90 days after the commencement of such prior offering.

SECTION 4.10. Transferability of Registration Rights; Termination.

(a) Registration rights conferred herein on the holders of Restricted Shares shall only inure to the benefit of a Prospective Transferee who becomes a party to this Agreement pursuant to Section 2.05.

(b) The obligations of the Company to register shares of Restricted Shares under Sections 4.01, 4.02 or 4.03 shall terminate as to each Stockholder, on the later of (i) the sixth anniversary of the date of this Agreement and (ii) such Stockholder's percentage (together with the percentage of Voting Securities held by any member(s) of such Stockholder's Group) of Voting Securities falling below 5%.

SECTION 4.11. Other Registration Rights. The Company has not granted

and shall not grant to any third party any registration rights more favorable than or inconsistent with any of those contained herein, so long as any of the registration rights under this Agreement remains in effect.

SECTION 4.12. Successors to the Company. The Company shall procure

that each of the Stockholders shall be granted by any Newco equivalent rights to the rights contained in this Agreement as a condition to any transaction involving the creation of such a Newco.

ARTICLE V

Tag-Along Rights

SECTION 5.01. General Restriction. Except as set forth in the

Governance Agreement in the case of the TDF Group and except for transfers within the TDF Group, the Candover Group, the Crown Group, the Berkshire Group, the Centennial Group and the Nassau Group, no Stockholder shall transfer any Shares without complying with the terms and conditions set forth in Section 5.02.

SECTION 5.02. Tag-Along. (a) Except in the case of the IPO, any

registered sale of securities under the Securities Act or any other sales of securities on the market, if at any time Stockholders holding at least 2% of the Voting Securities of the Company (the "Initiating Stockholder(s)") shall

determine to sell or transfer (in a business combination or otherwise) 2% or more of the Voting Securities then issuable or outstanding in one or a series

of bona fide arm's-length transactions to a third party who is not an Affiliate of any of the Initiating Stockholders, the Initiating Stockholders shall give not less than 30 days' prior written notice of such intended transfer to each of the other Stockholders (individually, a "Participating Offeree" and collectively, the "Participating Offerees") and to the Company. Such notice (the

"Participation Notice") shall set forth the terms and conditions of such

proposed transfer, including the name of the prospective transferee, the number of Shares proposed to be transferred (the "Participation Securities") by the

Initiating Stockholders, the purchase price per Share proposed to be paid therefor, and the payment terms and type of transfer to be effectuated. Within 20 days following the delivery of the Participation Notice by the Initiating Stockholders to each Participating Offeree and to the Company, each Participating Offeree may, by notice in writing to the Initiating Stockholders and to the Company, have the opportunity and the right to sell to the purchasers in such proposed transfer (upon the same terms and conditions as the Initiating Stockholders) up to that number of Shares owned by such Participating Offeree as shall equal the product of (i) a fraction, the numerator of which is the number of Shares owned by such Participating Offeree as of the date of such proposed transfer and the denominator of which is the aggregate number of Shares owned as of the date of such Participation Notice by the Initiating Stockholders and by all Participating Offerees, multiplied by (ii) the number of Participation Securities. The amount of Participation Securities to be sold by the Initiating Stockholders shall be reduced to the extent necessary to provide for such sales of Shares by Participating Offerees.

(b) At the closing of any proposed transfer in respect of which a Participation Notice has been delivered, the Initiating Stockholders, together with all Participating Offerees electing to sell Shares, shall deliver to the proposed transferee certificates evidencing the Shares to be sold thereto duly endorsed with stock powers and shall receive in exchange therefor the consideration to be paid or delivered by the proposed transferee in respect of such Shares as described in the Participation Notice.

(c) (i) the provisions of this Section 5.02 shall not apply to sales pursuant to Sections 4.01, 4.02 and 4.03 of this Agreement and (ii) the provisions of this Article V shall not apply to any transfer by a Stockholder to (x) an Affiliate or limited partner of such Stockholder or (y) the Company.

ARTICLE VI

Miscellaneous
-----SECTION 6.01. Survival of Warranties. The covenants, agreements,

representations and warranties of the parties contained herein or in any certificate or other document delivered pursuant hereto or in connection herewith shall survive the Closing and shall remain in full force and effect, regardless of any investigation made by or on behalf of any party hereto.

SECTION 6.02. Reasonable Efforts; Further Actions. The parties

hereto each will use all reasonable efforts to take or cause to be taken all action and to do or cause to be done all things necessary, proper or advisable under applicable laws and regulations to consummate and make effective the transactions contemplated by this Agreement.

SECTION 6.03. Consents. The parties hereto will cooperate, with each

other in filing any necessary applications, reports or other documents with, giving any notices to, and seeking any consents from, all regulatory bodies and all governmental agencies and authorities and all third parties as may be required in connection with the consummation of the transactions contemplated by this Agreement.

SECTION 6.04. Amendment and Waiver. This Agreement may not be

amended, supplemented or discharged, and no provision hereof may be modified or waived, except by the mutual agreement of the parties hereto. No waiver of any provision hereof by any party shall constitute a waiver thereof by any other party nor shall any such waiver constitute a continuing waiver of any matter by such party.

SECTION 6.05. Counterparts. This Agreement may be executed in one or

more counterparts, each of which shall be deemed an original but which together shall constitute but one instrument. It shall not be necessary for each party to sign each counterpart so long as every party has signed at least one counterpart.

SECTION 6.06. Notices. All notices, requests, demands, waivers and

other communications required or permitted to be given under this Agreement shall be in writing and may be given by any of the following methods: (a) personal delivery; (b) facsimile transmission; (c) registered or certified mail, postage prepaid, return receipt requested; or (d) overnight delivery service.

Notices shall be sent to the appropriate party at its address or facsimile number given below (or at such other address or facsimile number for such party as shall be specified by notice given hereunder):

If to the Company: Crown Castle International Corp.
510 Bering Drive, Suite 500
Houston, TX 77057
Fax: (713) 570-3150
Attn: President

with a copy to: Cravath, Swaine & Moore
Worldwide Plaza
825 Eighth Avenue
New York, NY 10019
Fax: (212) 474-3700
Attn: Stephen L. Burns, Esq.

If to the Crowns: Robert A. Crown
Barbara A. Crown
c/o Crown Communication Inc.
375 Southpointe Blvd.
Canonsburg, PA 15317
Fax: (724) 416-2200

with a copy to: Kirkpatrick & Lockhart LLP
1500 Oliver Building
Pittsburgh, PA 15222
Fax: (412) 355-6501
Attn: Charles J. Queenan, Jr., Esq.

If to the Initial
Stockholder: Ted B. Miller, Jr.
510 Bering, Suite 500
Houston, TX 77056
Fax: (713) 570-3150

If to any
Stockholder: At the address of such Stockholder
listed on Schedule I

with a copy (in the case of any Berkshire Party, any Centennial Party, any Nassau Party, PNC Venture Corp., Fay, Richwhite Communications Limited, New York Life Insurance Company, American Home Assurance Company or The Northwestern Mutual Life Insurance Company)
to:

Hutchins, Wheeler & Dittmar
101 Federal Street

Boston, Ma 02110
 Fax: (617) 951-1295
 Attn: Harry A. Hanson III, Esq.

If to TDF: TeleDiffusion de France
 International S.A.
 10 Rue d'Oradour-sur-Glane
 75732 Paris 15
 France
 Fax: 155 95 2066
 Attn: Michel Azibert

with a copy to: Allen & Overy
 One New Change
 London EC4M 9QQ
 Fax: 44 171 330 9999
 Attn: Michael P. Scargill, Esq.

All such notices, requests, demands, waivers and communications shall be deemed received upon (i) actual receipt thereof by the addressee, (ii) actual delivery thereof to the appropriate address or (iii) in the case of a facsimile transmission, upon transmission thereof by the sender and issuance by the transmitting machine of a confirmation slip that the number of pages constituting the notice have been transmitted without error. In the case of notices sent by facsimile transmission, the sender shall contemporaneously mail a copy of the notice to the addressee at the address provided for above. However, such mailing shall in no way alter the time at which the facsimile notice is deemed to be received or the validity of such facsimile notice.

SECTION 6.07. Binding Effect; Assignment. This Agreement and all of

 the provisions hereof shall be binding upon and shall inure to the benefit of the parties and their respective successors and permitted assigns. Except as otherwise specifically provided for in this Agreement, neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned, directly or indirectly, including, without limitation, by operation of law, by any party hereto without the prior written consent of the other parties hereto (it being understood that TDF may not transfer to any person (other than to any of its Affiliates which becomes a party to the Agreement and to whom there is transferred any Voting Securities of the Company), by operation of law or otherwise, any right of TDF hereunder which arises as a result of TDF being Qualified

without the prior written consent of the Company); provided, that TDF shall be entitled to transfer any of its rights under this Agreement to any of its Affiliates subject to any condition or obligation in connection with such right provided hereunder, so long as such Affiliate agrees to become a party to this Agreement and such Affiliate is a holder of the whole or any part of the TDF Group Interest or the TDF Consolidated Group Interest, as applicable.

SECTION 6.08. Entire Agreement. This Agreement, the other

Transaction Documents and the schedules, exhibits and other documents and agreements referred to herein and therein or delivered pursuant hereto or thereto which form a part hereof or thereof constitute the entire agreement among the parties with respect to the subject matter hereof and thereof and supersede all other prior agreements and understandings, both written and oral, between the parties or any of them with respect to the subject matter hereof. This Agreement supersedes, replaces and renders null and void the Amended and Restated Stockholders Agreement in its entirety.

SECTION 6.09. No Third Party Beneficiaries. This Agreement shall be

binding upon and inure to the benefit of the parties to this Agreement and their respective successors and permitted assigns, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other person any rights, benefits, claims, liabilities, causes of action or remedies of any nature whatsoever under or by reason of this Agreement.

SECTION 6.10. Expenses. Except as otherwise provided for in Section

4.05, each of the parties hereto shall pay its own costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby, including the fees and expenses of counsel, irrespective of when incurred.

SECTION 6.11. Applicable Law and Jurisdiction; Service of Process.

(a) This Agreement shall be construed in accordance with and governed by the law of the State of New York; provided, however, that the terms and conditions of this Agreement relating to the internal affairs of the Company shall be construed in accordance with and governed by the law of the State of Delaware.

(b) Each of the parties to this Agreement hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of

the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

(c) Each of the parties hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each of the parties to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 6.06. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 6.12. Waiver of Jury Trial. Each party hereto hereby waives,

to the fullest extent permitted by Applicable Law, any right it may have to a trial by jury in any legal proceeding directly or indirectly arising out of or relating to this Agreement or the transactions contemplated hereby or thereby (whether based on contract, tort or any other theory). Each party hereto (a) certifies that no representative, agent or attorney of any other party has represented, expressly or otherwise that such other party would not, in the event of litigation, seek to enforce the foregoing waiver and (b) acknowledges that it and the other parties hereto have been induced to enter into this agreement by, among other things, the mutual waivers and certifications in this Section.

SECTION 6.13. Article and Section Headings. The article, section and

other headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

SECTION 6.14. Termination. This Agreement may be terminated by the

mutual consent of the parties hereto.

SECTION 6.15. Specific Enforcement. The parties hereto acknowledge

and agree that irreparable damage would occur in the event any of the provisions
of this Agreement were not performed in accordance with their specific terms or
were otherwise breached for which money damages would not be an adequate remedy.
It is accordingly agreed that, so long as permitted by Applicable Law, the
parties shall be entitled to an injunction or injunctions to prevent breaches of
the provisions of this Agreement and to enforce specifically the terms and
provisions hereof without the necessity of proving the inadequacy of money
damages as a remedy.

Section 6.16. Severability. Should any provision of this Agreement

for any reason be declared invalid or unenforceable, such decision shall not
affect the validity or enforceability of any of the other provisions of this
Agreement, which remaining provisions shall remain in full force and effect and
the application of such invalid or unenforceable provision to persons or
circumstances other than those as to which it is held invalid or unenforceable
shall be valid and enforced to the fullest extent permitted by law.

IN WITNESS WHEREOF, each party hereto has executed this Agreement as of the day and year first above written.

COMPANY:

CROWN CASTLE INTERNATIONAL CORP.

by:

Name:
Title:

STOCKHOLDERS:

TELEDIFFUSION DE FRANCE
INTERNATIONAL S.A.,

by:

Name:
Title:

DIGITAL FUTURE INVESTMENTS B.V.,

by:

Name:
Title:

CANDOVER INVESTMENTS, PLC

by:

Name:
Title:

CANDOVER (TRUSTEES) LIMITED

by:

Name:
Title:

CANDOVER PARTNERS LIMITED
(as general partner of the
Candover 1994 UK Limited
Partnership)

by _____

Name:
Title:

CANDOVER PARTNERS LIMITED
(as general partner of the
Candover 1994 UK No. 2 Limited
Partnership)

by _____

Name:
Title:

CANDOVER PARTNERS LIMITED
(as general partner of the
Candover 1994 US No. 1 Limited
Partnership)

by _____

Name:
Title:

CANDOVER PARTNERS LIMITED
(as general partner of the
Candover 1994 US No. 2 Limited
Partnership)

by _____

Name:
Title:

TED B. MILLER, JR.

by _____

Ted B. Miller, Jr.

ROBERT H. SINGLETON, TRUSTEE
OF THE MILLER 1996 GIFT TRUST

by

Name
Title:

ROBERT A. CROWN

by

Robert A. Crown

BARBARA A. CROWN

by

Barbara A. Crown

ROBERT A. CROWN AND PNC BANK,
DELAWARE, TRUSTEES OF THE
ROBERT A. CROWN GRANTOR
RETAINED ANNUITY TRUST

by

Name:
Title:

BARBARA A. CROWN AND PNC BANK,
DELAWARE, TRUSTEES OF THE
BARBARA A. CROWN GRANTOR
RETAINED ANNUITY TRUST

by

Name:
Title:

BERKSHIRE FUND IV,
LIMITED PARTNERSHIP

by _____
a Managing Member

BERKSHIRE INVESTORS LLC

by _____
a Managing Member

CENTENNIAL FUND IV, L.P.,

by Centennial Holdings V, L.P.,
its General Partner

by _____
Name:
Title:

by _____
Name:
Title:

CENTENNIAL FUND V, L.P.,

by Centennial Holdings V, L.P.,
its General Partner

by _____
Name:
Title:

CENTENNIAL ENTREPRENEURS FUND V,
L.P.

by _____
Name:
Title:

NASSAU CAPITAL PARTNERS II, L.P.

by Nassau Capital L.L.C., its
General Partner

by

Name:
Title:

NAS PARTNERS I, L.L.C.

by

Name:
Title:

PNC VENTURE CORP.

by

Name:
Title:

NEW YORK LIFE INSURANCE COMPANY

by

Name:
Title:

AMERICAN HOME ASSURANCE COMPANY

by

Name:
Title:

FAY, RICHWHITE COMMUNICATIONS
LIMITED

by _____

Name:
Title:

THE NORTHWESTERN MUTUAL LIFE
INSURANCE COMPANY

by _____

Name:
Title:

HARVARD PRIVATE CAPITAL HOLDINGS,
INC.

by _____

Name:
Title:

PRIME VIII, L.P.

by _____

Name:
Title:

SCHEDULE I

TeleDiffusion de France International S.A.
10 Rue d'Oradour sur Glane
75732 Paris 15
France
Fax: ###-##-####
Attn: Michel Azibert

Digital Future Investments B.V.
c/o TeleDiffusion de France International S.A.
10 Rue d'Oradour sur Glane
75732 Paris 15
France
Fax: ###-##-####
Attn: Michel Azibert

Candover Investments, plc
20 Old Bailey
London EC4M 7LN
Fax: 011-44-171-248-5483
Attn: G. Douglas Fairservice

Candover (Trustees) Limited
20 Old Bailey
London EC4M 7LN
Fax: 011-44-171-248-5483
Attn: G. Douglas Fairservice

Candover Partners Limited (as general partner of the
Candover 1994 UK Limited Partnership)
20 Old Bailey
London EC4M 7LN
Fax: 011-44-171-248-5483
Attn: G. Douglas Fairservice

Candover Partners Limited (as general partner of the
Candover 1994 UK No. 2 Limited Partnership)
20 Old Bailey
London EC4M 7LN
Fax: 011-44-171-248-5483
Attn: G. Douglas Fairservice

Candover Partners Limited (as general partner of the
Candover 1994 US No. 1 Limited Partnership)
20 Old Bailey
London EC4M 7LN
Fax: 011-44-171-248-5483
Attn: G. Douglas Fairservice

Candover Partners Limited (as general partner of the
Candover 1994 US No. 2 Limited Partnership)
20 Old Bailey
London EC4M 7LN
Fax: 011-44-171-248-5483
Attn: G. Douglas Fairservice

Ted B. Miller, Jr.
c/o Crown Castle International Corp.
510 Bering Drive, Suite 500
Houston, TX 77002
Fax: (713) 651-0251

The Miller 1996 Gift Trust
Robert H. Singleton, Trustee
c/o Singleton & Cooksay
1600 Smith, Suite 4500
Houston, TX 77002
Fax: (713) 651-0251

Robert A. Crown
Barbara A. Crown
c/o Crown Communication Inc.
375 Southpointe Boulevard
Canonsburg, PA 15317
Fax: (724) 416-2200

Robert A. Crown
Grantor Retained Annuity Trust
Robert A. Crown and PNC Bank, Delaware, Trustees
c/o Crown Communication Inc.
375 Southpointe Boulevard
Canonsburg, PA 15317
Fax: (724) 416-2200

Barbara A. Crown
Grantor Retained Annuity Trust
Barbara A. Crown and PNC Bank, Delaware, Trustees
c/o Crown Communication Inc.
375 Southpointe Boulevard
Canonsburg, PA 15317
Fax: (724) 416-2200

Berkshire Fund IV, Limited Partnership
One Boston Place, 33rd Floor
Boston, MA 02108
Fax: 617-227-6105
Attn: Carl Ferenbach/Garth H. Greimann

Berkshire Investors LLC
One Boston Place, 33rd Floor
Boston, MA 02108
Fax: 617-227-6105
Attn: Carl Ferenbach/Garth H. Greimann

Centennial Fund IV, L.P.
1428 Fifteenth Street
Denver, CO 80202
Fax: (303) 405-7575
Attn: Jeffrey H. Schutz

w/copy:

The Centennial Funds
1330 Post Oak Boulevard, Suite 1525
Houston, TX 77056
Fax: (713) 627-9292
Attn: David C. Hull, Jr.

Centennial Fund V, L.P.
1428 Fifteenth Street
Denver, CO 80202
Fax: (303) 405-7575
Attn: Jeffrey H. Schutz

Centennial Entrepreneurs Fund V, L.P.
1428 Fifteenth Street
Denver, CO 80202
Fax: (303) 405-7575
Attn: Jeffrey H. Schutz

w/copy:

The Centennial Funds
1330 Post Oak Boulevard, Suite 1525
Houston, TX 77056
Fax: (713) 627-9292
Attn: David C. Hull, Jr.

Nassau Capital Partners II, L.P.
c/o Nassau Capital LLC
22 Chambers Street
Princeton, NJ 08542
Fax: (609) 924-8887
Attn: Randall A. Hack

NAS Partners I, L.L.C.
c/o Nassau Capital LLC
22 Chambers Street
Princeton, NJ 08542
Fax: (609) 924-8887
Attn: Randall A. Hack

PNC Venture Corp.
c/o PNC Equity Management Corporation
Fifth Avenue and Wood
Pittsburgh, PA 15265
Fax: (412) 762-6233
Attn: David McL. Hillman

Fay, Richwhite Communications Limited
1127 151 Queen Street
Auckland, NEW ZEALAND
Fax: 011-649-307-1436
Attn: David Richwhite/John Balgarnie

New York Life Insurance Company
51 Madison Avenue
New York, NY 10010
Fax: (212) 447-4122
Attn: Investment Department
Private Finance Group, Room 206

w/copy attention: Office of General Counsel
Investment Section, Room 1104
Fax: (212) 576-8340

American Home Assurance Company
c/o AIG Global Investment Corp.
175 Water Street, 24th Floor
New York, NY 10038
Fax: (212) 458-2251
Attn: Peter F. Smith

The Northwestern Mutual Life Insurance Company
720 East Wisconsin Avenue
Milwaukee, WI 53202-4797
Fax: (414) 299-7016
Attn: Securities Department

w/copy attention: Law Department
Investment Section
fax: (414) 299-7016

Harvard Private Capital Holdings, Inc.
600 Atlantic Avenue, 26th Floor
Boston, MA 02110
Fax: (617) 523-1063
Attn: Timothy R. Palmer

Prime VIII, L.P.
c/o Prime Cable
600 Congress Avenue, Suite 3000
Austin, TX 78701
Fax: (512) 320-4039
Attn: Robert W. Hughes

Private & Confidential

DATED 24 APRIL 1998

BERKSHIRE FUND IV, LP	(1)
BERKSHIRE INVESTORS LLC	(2)
BERKSHIRE PARTNERS LLC	(3)
CANDOVER INVESTMENTS PLC	(4)
CANDOVER (TRUSTEES) LIMITED	(5)
CANDOVER PARTNERS LIMITED	(6)
CANDOVER PARTNERS LIMITED	(7)
CANDOVER PARTNERS LIMITED	(8)
CANDOVER PARTNERS LIMITED	(9)
CROWN CASTLE INTERNATIONAL CORP.	(10)
TELEDIFFUSION DE FRANCE INTERNATIONAL S.A.	(11)
DIGITAL FUTURE INVESTMENTS B.V.	(12)
CASTLE TRANSMISSION SERVICES (HOLDINGS) LIMITED	(13)

AGREEMENT

FOR THE SALE AND PURCHASE OF CERTAIN SHARES OF CASTLE TRANSMISSION
SERVICES (HOLDINGS) LIMITED, FOR THE AMENDMENT OF THE SHAREHOLDERS' AGREEMENT
IN RESPECT OF CASTLE TRANSMISSION SERVICES (HOLDINGS) LIMITED
AND FOR THE GRANTING OF CERTAIN OPTIONS

NORTON ROSE
London

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THIS AGREEMENT is dated 24 April 1998 and is made AMONG:

- (1) BERKSHIRE FUND IV, LP, a Massachusetts limited partnership;
- (2) BERKSHIRE INVESTORS LLC, a Massachusetts limited liability corporation;
- (3) BERKSHIRE PARTNERS LLC, a Massachusetts limited liability corporation;
- (4) CANDOVER INVESTMENTS PLC, a company incorporated in England and Wales;
- (5) CANDOVER (TRUSTEES) LIMITED, a company incorporated in England and Wales;
- (6) CANDOVER PARTNERS LIMITED, a company incorporated in England and Wales (as general partner of the Candover 1994 UK Limited Partnership);
- (7) CANDOVER PARTNERS LIMITED, a company incorporated in England and Wales (as general partner of the Candover 1994 UK No. 2 Limited Partnership);
- (8) CANDOVER PARTNERS LIMITED, a company incorporated in England and Wales (as general partner of the Candover 1994 US No. 1 Limited Partnership);
- (9) CANDOVER PARTNERS LIMITED, a company incorporated in England and Wales (as general partner of the Candover 1994 US No. 2 Limited Partnership);
- (10) CROWN CASTLE INTERNATIONAL CORP. ("CCIC"), a Delaware corporation;
- (11) TELEDIFFUSION DE FRANCE INTERNATIONAL S.A. ("TDFI"), a company incorporated in France;
- (12) DIGITAL FUTURE INVESTMENTS B.V. (the "PURCHASER"), a company incorporated in The Netherlands;
- (13) CASTLE TRANSMISSION SERVICES (HOLDINGS) LIMITED (the "COMPANY"), a company incorporated in England and Wales.

WHEREAS

- (A) The parties to this Agreement (other than the Purchaser, the Company and Berkshire Partners LLC) are shareholders of the Company.
- (B) The parties to this Agreement (other than the Purchaser) are parties to a shareholders agreement in respect of the Company dated 23 January 1997 (as amended by a Deed of Adherence dated 2 May 1997).

(C) The Purchaser has agreed to purchase certain shares of the Company from the Berkshire Vendors and the Candover Vendors (each as defined in Clause 1) and the parties have agreed to make certain consequential amendments to the arrangements between them as shareholders of the Company, in each case on the terms set out in this Agreement.

1 DEFINITIONS AND INTERPRETATION

1.1 In this Agreement unless the context otherwise requires:

"BERKSHIRE" has the meaning ascribed to such expression in the Shareholders' Agreement;

"BERKSHIRE SALE SHARES" means the aggregate of the number of Ordinary Shares of 1p each of the Company and Redeemable Preference Shares of 1p each of the Company respectively set out opposite the name of each Berkshire Vendor in columns (2) and (3) of schedule 1;

"BERKSHIRE VENDORS" means Berkshire Fund IV, LP and Berkshire Investors LLC;

"CANDOVER" has the meaning ascribed to such expression in the Shareholders' Agreement;

"CANDOVER SALE SHARES" means the aggregate of the number of Ordinary Shares of 1p each of the Company and Redeemable Preference Shares of 1p each of the Company respectively set out opposite the name of each Candover Vendor in columns (2) and (3) of schedule 1;

"CANDOVER VENDORS" means Candover Investments PLC, Candover (Trustees) Limited and Candover Partners Limited;

"COMPLETION" means the completion of the sale and purchase of the Sale Shares by the performance by the parties of their respective obligations under clause 4;

"DEED OF ADHERENCE" means the deed in the form set out in schedule 2;

"GOVERNANCE AGREEMENT" means an agreement in the agreed form to be entered into by CCIC (1) and TdFI (2);

"OPTION AGREEMENT" means an agreement in the agreed form to be entered into by the Purchaser (1), CCIC (2) and TdFI (3);

"SALE SHARES" means the Berkshire Sale Shares and the Candover Sale Shares;

"SHARE EXCHANGE AGREEMENT" means an agreement to be entered into on the date hereof by the Company (1) CCIC (2) TDFI (3) and others (4) providing for the exchange of all shares held in the capital of the Company (other than those held at the date hereof by CCIC and TdFI (but not the Purchaser)) for fully paid shares of common stock (or, in the case of the Purchaser, fully paid shares of class A common stock) of CCIC for the same consideration per share;

"SHAREHOLDERS' AGREEMENT" means the shareholders' agreement in respect of the Company dated 23 January 1997 (as amended by a Deed of Adherence dated 2 May 1997) between the parties to this Agreement (other than the Purchaser);

"STOCKHOLDERS AGREEMENT" means an agreement in the agreed form to be entered into by CCIC (1) and others (2).

1.2 In this Agreement unless the context otherwise requires:

- (a) a document expressed to be "IN THE AGREED FORM" means a document in a form which has been agreed by the parties contemporaneously with or before the execution of this Agreement and which has, for the purposes of identification, been signed or initialled by them or on their behalf;
- (b) references to a clause or schedule are to a clause of, or a schedule to, this Agreement, references to this Agreement include its schedules and references in a schedule or part of a schedule to a paragraph are to a paragraph of that schedule or that part of that schedule;
- (c) references to this Agreement or any other document or to any specified provision of this Agreement or any other document are to this Agreement, that document or that provision as in force for the time being and as amended from time to time in accordance with the terms of this Agreement or that document or, as the case may be, with the agreement of the relevant parties;
- (d) words importing the singular include the plural and vice versa, words importing a gender include every gender and references to persons include corporations, partnerships and other unincorporated associations or bodies of persons;
- (e) the contents table and the descriptive headings to clauses, schedules and paragraphs are inserted for convenience only, have no legal effect and shall be ignored in the interpretation of this Agreement.

2 CONDITIONS PRECEDENT

2.1 The obligations of the parties under this Agreement (other than those contained in clause 2.3) are conditional on the fulfilment of the conditions listed in clause 2.2 on or prior to

the date hereof, and no right under this Agreement (other than any which may arise under clause 2.3) shall arise until such conditions shall have been fulfilled.

2.2 The conditions referred to in clause 2.1 are:

- (a) the due execution by all parties thereto of the Share Exchange Agreement;
- (b) the due execution by all parties thereto of the Option Agreement.

2.3 Each of the parties shall use all reasonable endeavours to ensure (so far as it is able) that the conditions listed in clause 2.2 shall be fulfilled on the date hereof.

3 SALE OF THE SALE SHARES

3.1 Each of the Berkshire Vendors shall sell to the Purchaser, and the Purchaser shall purchase from each of the Berkshire Vendors, the number of Berkshire Sale Shares set opposite its name in columns (2) and (3) of schedule 1. Each of the Berkshire Vendors shall sell and transfer that number of the Berkshire Sale Shares set opposite its name in columns (2) and (3) of schedule 1 free from all encumbrances, claims, liens, charges, equities and other rights exercisable by third parties and (subject thereto) with full title guarantee, but no other warranties, representations, or assurances are given in respect of the Berkshire Sale Shares (except to the extent expressly contained in this Agreement).

3.2 The consideration for the sale of the Berkshire Sale Shares shall be the payment by the Purchaser on Completion to each of the Berkshire Vendors of the aggregate of the sums set out opposite its name in columns (4) and (5) of schedule 1.

3.3 Each of the Candover Vendors shall sell to the Purchaser, and the Purchaser shall purchase from each of the Candover Vendors, the number of Candover Sale Shares set opposite its name in columns (2) and (3) of schedule 1. Each of the Candover Vendors shall sell and transfer that number of Candover Sale Shares set opposite its name in columns (2) and (3) free from all encumbrances, claims, liens, charges, equities and other rights exercisable by third parties and (subject thereto) with full title guarantee, but no other warranties, representations or assurances are given in respect of the Candover Sale Shares (except to the extent expressly contained in this Agreement).

3.4 The consideration for the sale of Candover Sale Shares shall be the payment by the Purchaser on Completion to each of the Candover Vendors of the aggregate of the sums set out opposite its name in columns (4) and (5) of schedule 1.

3.5 Each of the parties hereby:

- (a) waives any rights of pre-emption conferred on it by the Articles of Association of the Company or by the Shareholders' Agreement or otherwise over the Sale

Shares hereby agreed to be sold by the Berkshire Vendors and the Candover Vendors and in respect of any shares which may be sold pursuant to schedule 3 or the agreement set out in schedule 5;

- (b) consents to the sale of the Sale Shares to the Purchaser for the purpose of complying with the requirements of the Articles of Association of the Company and the Shareholders' Agreement and for the same purpose consents to the sale of any shares pursuant to schedule 3 or the agreement set out in schedule 5;
- (c) waives any tag along rights which it may have under clause 9.6 of the Shareholders' Agreement in respect of the sale of the Sale Shares to the Purchaser and in respect of any sale of shares pursuant to schedule 3 or the agreement set out in schedule 5;
- (d) consents to all transactions contemplated by the Share Exchange Agreement, the Governance Agreement, the Stockholders Agreement and the Option Agreement and waives all rights of pre-emption conferred by the Articles of Association of the Company or the Shareholders' Agreement in respect of the transactions contemplated by such agreements; and
- (e) agrees to take, or to join in taking, such other action as is within its power to effect the transactions contemplated by the Share Exchange Agreement, the Governance Agreement, the Stockholders Agreement, the Option Agreement and the agreement set out in schedule 5, including (without limitation) procuring that transfers of shares contemplated by those agreements are resolved to be registered (subject to their being duly stamped).

3.6 The Purchaser shall not be obliged to complete the purchase of any of the Sale Shares unless the purchase of all the Sale Shares is completed simultaneously.

4 COMPLETION OF THE SALE OF THE SALE SHARES

4.1 Subject to the conditions set out in clause 2.2 having been fulfilled or waived on the date hereof, Completion shall take place on the date hereof and all (but not part only unless the parties shall so agree) of the following business shall be transacted:

- (a) each of the Berkshire Vendors and the Candover Vendors shall deliver to the Purchaser transfers in respect of the number of the Sale Shares set opposite its name in columns (2) and (3) of schedule 1, duly executed and completed in favour of the Purchaser, together with certificates therefor and the duly executed powers of attorney or other authorities under which the transfers have been executed;
- (b) the parties shall join in procuring (so far as they are able) that:

- (i) the transfers mentioned in clause 4.1(a) shall be resolved to be registered (subject only to their being duly stamped);
 - (ii) a share certificate is issued to the Purchaser in respect of the Sale Shares (subject to the transfers mentioned in clause 4.1(a) having been duly stamped) and share certificates are issued to the Berkshire Vendors and the Candover Vendors in respect of the balance of the shares of the Company respectively owned by them following the sale of the Sale Shares;
- (c) the Purchaser shall execute and deliver the Deed of Adherence;
 - (d) the Purchaser shall pay the consideration for the sale of the Berkshire Sale Shares by electronic funds transfer for value on the day of Completion to the following account:

National Westminster Bank, London

SWIFT Code: NWBKGB2L

Fleet National Bank Account

Account Number: 4400204622421

Reference: Notify on receipt Ms Leslie Obryon, 617-346-5199

and payment of such consideration into such account shall constitute a good discharge to the Purchaser in respect of it and the Purchaser shall have no obligation as to the distribution or allocation of such consideration between the Berkshire Vendors;

- (e) the Purchaser shall pay the consideration for the sale of the Candover Sale Shares by electronic funds transfer for value on the day of Completion to the following account:

Bank: Bank of Scotland
London Chief Office
PO Box 267
38 Threadneedle Street
London EC2P 2EH

Sort Code: 12 01 03

SWIFT Code: BOFSGB2L

Account Name: Candover Partners Limited

Account No: 00214728

and payment of such consideration into such account shall constitute a good discharge to the Purchaser in respect of it and the Purchaser shall have no obligation as to the distribution or allocation of such consideration among the Candover Vendors; and

- (f) Berkshire, Candover, TdFI and CCIC shall join in procuring that a special resolution of the Company in the agreed form shall be passed to change the articles of association of the Company.

5 SHAREHOLDERS' AGREEMENT ISSUES

- 5.1 The provisions of clauses 5.2 to 5.4 and clause 6 shall have effect only if Completion shall have occurred.
- 5.2 For the purposes of the Shareholders' Agreement, the expression "TdFI" shall henceforth be treated as meaning TeleDiffusion de France International S.A. and the Purchaser taken together and, for the purposes of the Shareholders' Agreement, TeleDiffusion de France International S.A. and the Purchaser shall be treated as if they were one and the same person.
- 5.3 Until the earlier of the date on which the parties to this Agreement agree otherwise and the date on which Berkshire shall hold less than 10 per cent. of the equity share capital of the Company:
- (a) for the purposes of ascertaining the rights of Berkshire under the Shareholders' Agreement, the parties agree that Berkshire shall at all times and for all purposes be treated as if it held 15 per cent. in number of the Ordinary Shares of 1p each of the Company in issue or, as the case may be, 15 per cent. in value of the aggregate of the Ordinary Shares of 1p each of the Company and of the Preference Shares of 1p each of the Company in issue or, as the case may be, 15 per cent. of the equity share capital of the Company and, in each such case, the actual percentage shareholdings of the other shareholders of the Company shall (for the purposes of this clause 5.3(a)) be treated as if they had been reduced on a pro-rata basis to give effect to the foregoing;
- (b) each of the parties to this Agreement (other than Berkshire and the Company) agrees that (for so long as it continues to be a shareholder of the Company) it will exercise its voting rights at any meeting of the shareholders of the Company in a manner consistent with ensuring that any resolution proposed thereat shall not be passed if (a) that party has been notified by Berkshire that it proposes to vote against such resolution and such resolution would not be passed if Berkshire held 15 per cent. in number of the Ordinary Shares of 1p each of the Company in issue and were to vote against such resolution or (b) that party has been notified by Berkshire and Candover that each of them proposes to vote against such resolution.

5.4 If at any time Candover shall hold less than 15 per cent. in number of the Ordinary Shares of 1p each of the Company in issue, the provisions of clause 5.3 shall also apply mutatis mutandis for its benefit save that all references in clause 5.3 to "Berkshire" shall be replaced by references to "Candover".

5.5 CCIC undertakes to TdFI that it will not exercise any of its rights to subscribe for shares of the Company under any of the warrants issued to it by the Company if the result thereof would be that CCIC would thereby hold more than 50 per cent. of the issued share capital of the Company.

6 OPTIONS

6.1 The provisions of schedule 3 shall have effect for the benefit of Berkshire and Candover.

7 CONTINUATION OF SHAREHOLDERS' AGREEMENT

7.1 Save as amended by this Agreement, the Shareholders' Agreement shall continue in full force and effect.

8 WARRANTIES

8.1 Each party warrants to the other parties as follows:

- (a) it has the legal right and power to enter into this Agreement and to consummate the transactions contemplated hereby on and subject to the terms and conditions of this Agreement, and the execution, delivery and performance of this Agreement by it has been duly and validly authorised and this Agreement is a valid and binding agreement enforceable in accordance with its terms; and
- (b) no further authorisation, consent or approval of any person is required by or in relation to it as a condition to the validity of this Agreement or to give effect to the transactions contemplated hereby.

9 CONFIDENTIALITY

9.1 All matters relating to this Agreement and the negotiations relating to this Agreement and all information acquired or received by any party under or in connection with this Agreement shall be held confidential, and each party agrees that it shall not divulge any such confidential information to any third party, without the prior written approval of all other parties provided that any party may, without such approval, disclose such matters or information:

- (a) to any outside professional consultants upon obtaining a similar undertaking of confidentiality from such consultants;
- (b) to any bank or financial institution from whom such party is seeking to obtain finance, upon obtaining a similar undertaking of confidentiality from such bank or institution;
- (c) to the extent that the same has become generally available to the public other than as a result of unauthorised disclosure by a party;

- (d) in the case of a party which is a partnership or a general partner in a partnership, to the party's constituent partners; and
- (e) to persons or the general public if disclosure to such persons or the general public is required to comply with any applicable law or regulation of any country or the rules or regulations of the London Stock Exchange or any other exchange or market on which securities of a party or the parent company of a party are quoted, provided that any such information disclosed pursuant to this sub-clause (e) shall be disclosed only after consultation with the other parties unless such consultation is prohibited or the time limits within which such disclosure must be made are such that consultation is impracticable.

10 PUBLIC ANNOUNCEMENTS

10.1 No party shall issue or make any public announcements or statements regarding this Agreement unless prior thereto such party furnishes all parties with a copy of such announcement or statement and obtains the approval of the other parties which approval shall not be unreasonably withheld provided that, notwithstanding any failure to obtain approval, no party shall be prohibited from issuing or making any such public announcement or statement if it is necessary to do so in order to comply with any applicable law or regulation of any country or the rules or regulations of the London Stock Exchange or any other exchange or market on which securities of a party or the parent company of a party are quoted, it being recognised, however that the parties will endeavour to ensure that any such public announcements or statements are made contemporaneously.

11 FURTHER ASSURANCES AND COSTS

11.1 The parties shall each execute and deliver such further and other documents and instruments and do such further and other things as may be necessary to implement and carry out the intent of this Agreement.

11.2 Each party shall bear its own legal and other costs incurred in respect of the preparation and negotiation of this Agreement and stamp duty in respect of the transfer of the Sale Shares shall be borne by the Purchaser.

12 MODIFICATION AND ASSIGNMENT

12.1 No purported variation of this Agreement shall be effective unless made in writing and agreed by all the Shareholders.

12.2 No party shall be entitled to assign its rights under this Agreement.

13 EFFECT OF WAIVER

13.1 No waiver by any party of any default in the strict and literal performance or compliance with any provision, condition or requirement hereof shall be deemed to be a waiver of strict and literal performance of and compliance with any other provision, condition or requirement herein nor to be a waiver of or in any manner release any other party from strict compliance with any provision, condition or requirement in the future. Nor shall

any delay or omission by any party to exercise any right hereunder in any manner impair the exercise of any such right accruing to such party thereafter. Except when otherwise expressly stated therein, no remedy expressly granted herein to any party shall exclude or be deemed to exclude any other remedy which would otherwise be available.

14 ENTIRE AGREEMENT

14.1 This Agreement sets out the entire agreement and understanding between the parties with respect to the subject matter hereof and supersedes any prior communications or correspondence with respect to the subject matter hereof. It is agreed that:

- (i) no party has entered into this Agreement in reliance upon any representation, warranty or undertaking of any other party which is not expressly set out or referred to in this Agreement and no party shall have any liability for any representation, warranty or undertaking of any other party except to the extent (if any) expressly set out in this Agreement;
- (ii) no party shall have any remedy in respect of misrepresentation or untrue statement made by any other party unless and to the extent that a claim lies for breach of warranty under this Agreement;
- (iii) this clause shall not exclude any liability for fraudulent misrepresentation.

15 GOVERNING LAW AND JURISDICTION

15.1 This Agreement shall be governed by and construed and interpreted in accordance with the laws of England.

15.2 Each of the parties (for itself and on behalf of its respective holding and subsidiary companies and the directors, employees and agents of each of them) agrees that the English Courts shall have exclusive jurisdiction to hear and decide any and all claims, disputes, complaints, actions or proceedings ("Claims or Proceedings"), whether in contract or tort, which may arise at any time out of or in connection with any of the matters referred to in this Agreement, including, but not limited to, any Claim or Proceeding asserting dishonesty, improper or illegal conduct or breach of trust or duty or based on the effects of any of those matters in any jurisdiction and any Claim or Proceedings which may be material to any of the parties but of which any of the parties is unaware or does not suspect exists and for this purpose each of the parties irrevocably submits to the exclusive jurisdiction of the English Courts.

15.3 CCIC and Berkshire each hereby irrevocably authorise and appoint Norose Notices Limited (AMC/99/Z865000) (for the attention of the Director of Administration) at the address of its registered office for the time being or such other person resident in England as it may by notice to all other parties substitute) to accept service of all legal process arising out of or connected with this Agreement and service on Norose Notices Limited (or such substitute) shall be deemed to be service on the party concerned.

15.4 Each of TdFI and the Purchaser hereby irrevocably authorises and appoints Fleetside Legal Representative Services Limited (for the attention of Denis Stewart) at the address

of its registered office for the time being (or such other person resident in England as it may by notice to all other parties substitute) to accept service of all legal process arising out of or connected with this Agreement and service on Fleetside Legal Representative Services Limited (or such substitute) shall be deemed to be service on the party concerned.

16 NOTICES

16.1 All notices and other communications required or permitted under this Agreement shall be in writing and shall be delivered personally, sent by air courier (in the case of notices given by a party in one jurisdiction to a party in another), first class pre-paid post (in the case of a notice given by a party in one jurisdiction to a party in the same jurisdiction), telexed or sent by facsimile transmission (and promptly confirmed by air courier service in the case of notices sent from one jurisdiction to another and by first class pre-paid post in the case of notices sent by a party in one jurisdiction to another party in the same jurisdiction). Any such notice shall be deemed given when so delivered personally, telexed or sent by facsimile transmission or air courier or first class pre-paid post to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

Berkshire: if to Berkshire, to:

Berkshire Partners
One Boston Place
Boston, Massachusetts 02108
USA
Attention: Carl Ferenbach
Fax: 617-227-6105

Candover: if to Candover, to:

Candover Investments PLC
20 Old Bailey
London EC4M 7LN
Attention: Douglas Fairservice
Fax: 0171 248 5483

CCIC: if to CCIC, to:

Crown Castle International Corp.
510 Bering Drive
Suite 500
Houston
Texas TX 77057
Attention: Ted B. Miller Jr.
Fax: 713 570 3150

TdFI or the Purchaser: if to TdFI or the Purchaser to:

TeleDiffusion de France International S.A.

10 Rue d'Oradour-sur-Glane
75732 Paris
Cedex
France
Attention: Michel Azibert
Fax: 55 95 20 66

the Company: if to the Company, to:

the Company at its registered office
Attention: Managing Director
Fax: 01926 416441

17 COUNTERPARTS

This Agreement may be executed in any number of counterparts with the same effect as if the signatures to each such counterparty were upon the same instrument.

IN WITNESS of which this agreement has been executed.

SCHEDULE 1

THE SALE SHARES

(1) NAME OF SELLER	(2) NO. OF ORDINARY SHARES TO BE SOLD	(3) NO. OF REDEEMABLE PREFERENCE SHARES TO BE SOLD	(4) CONSIDERATION FOR SALE OF ORDINARY SHARES (POUNDS)	(5) CONSIDERATION FOR SALE OF REDEEMABLE PREFERENCE SHARES (POUNDS)
Berkshire Fund IV, LP	490,909	490,418,231	7,368,544.09	4,904,182.31
Berkshire Investors LLC	49,091	49,041,769	736,855.91	490,417.69
Candover Investments plc	217,699	241,646,116	3,267,661.99	2,416,461.16
Candover (Trustees) Limited	24,189	0	363,076.89	0
Candover Partners Limited (as general partner of the Candover 1994 UK Limited Partnership)	438,550	438,111,904	6,582,635.50	4,381,119.04
Candover Partners Limited (as general partner of the Candover 1994 UK No. 2 Limited Partnership)	118,847	118,728,160	1,783,893.47	1,187,281.60
Candover Partners Limited (as general partner of the Candover 1994 US No. 1 Limited Partnership)	21,286	21,264,745	319,502.86	212,647.45
Candover Partners Limited (as general partner of the Candover 1994 US No. 2 Limited Partnership)	259,429	259,169,075	3,894,029.29	2,591,690.75

SCHEDULE 2

DEED OF ADHERENCE

THIS DEED OF ADHERENCE is made on 1998
BETWEEN:

[INSERT NAME OF THE PURCHASER] of [ADDRESS] (the "NEW SHAREHOLDER") in favour of the persons whose names are set out in the schedule to this deed and is supplemental to the Shareholders' Agreement dated 23 January 1997 between Berkshire Fund IV Investment Corp and others (as amended by a Deed of Adherence dated 2 May 1997 and an agreement dated . 1998) (together the "AGREEMENT").

THE PARTIES AGREE AS FOLLOWS:

- 1 The New Shareholder confirms that it has read a copy of the Agreement and covenants with each person named in the schedule to this deed to perform and be bound by all the terms of the agreement as if the New Shareholder were a party thereto and fell within the scope of the definition "TDFI" together with TeleDiffusion de France International S.A.
- 2 This deed is governed by English law.

IN WITNESS whereof this deed has been executed by the New Shareholder and is intended to be and is hereby delivered on the date first above written.

SCHEDULE

- (1) BERKSHIRE FUND IV, LP, a Massachusetts limited partnership;
- (2) BERKSHIRE PARTNERS LLC, a Massachusetts limited liability corporation;
- (3) CANDOVER INVESTMENTS PLC, a company incorporated in England and Wales;
- (4) CANDOVER (TRUSTEES) LIMITED, a company incorporated in England and Wales;
- (5) CANDOVER PARTNERS LIMITED, a company incorporated in England and Wales (as general partner of the Candover 1994 UK Limited Partnership);
- (6) CANDOVER PARTNERS LIMITED, a company incorporated in England and Wales (as general partner of the Candover 1994 UK No. 2 Limited Partnership);
- (7) CANDOVER PARTNERS LIMITED, a company incorporated in England and Wales (as general partner of the Candover 1994 US No. 1 Limited Partnership);
- (8) CANDOVER PARTNERS LIMITED, a company incorporated in England and Wales (as general partner of the Candover 1994 US No. 2 Limited Partnership);
- (9) CROWN CASTLE INTERNATIONAL CORP., a Delaware corporation;
- (10) TELEDIFFUSION DE FRANCE INTERNATIONAL S.A., a company incorporated in France;
- (11) CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD (formerly known as Diohold Limited), a company incorporated in England and Wales.

SCHEDULE 3

OPTIONS

1 INTERPRETATION

1.1 In this schedule unless the context otherwise requires:

"BERKSHIRE OPTION SECURITIES" means all Ordinary Shares, Redeemable Preference Shares and other securities of the Company held by Berkshire on the date on which either of the Options is exercised;

"CANDOVER OPTION SECURITIES" means all Ordinary Shares, Redeemable Preference Shares and other securities of the Company held by Candover on the date on which either of the Options is exercised;

"CCIC RELEVANT PROPORTION" means (a) if both the Options shall be exercised, such fraction as will, following completion of the exercise of the Options, result in CCIC and TdFI holding the same number of Ordinary Shares and Redeemable Preference Shares of the Company and (b) if one only of the Options shall be exercised, a fraction calculated by reference to the following formula:

$$A = \frac{B}{C}$$

Where:

"A" is the relevant fraction;

"B" is equal to the number of Ordinary Shares of the Company held by CCIC at the date of the exercise of such Option; and

"C" is equal to the aggregate of the number of Ordinary Shares of the Company held by CCIC and TdFI at the date of the exercise of such Option;

Provided that, if the fraction calculated by the above formula would result in CCIC in any circumstances coming to hold more than 50 per cent. of the issued share capital of the Company, the CCIC Relevant Proportion shall be such fraction as will result in CCIC holding no more than 50 per cent. of the issued share capital of the Company and TdFI shall be required to acquire such number of Ordinary Shares and Redeemable Preference Shares as CCIC would otherwise have been required to acquire but for this proviso.

"OPTION PERIOD" means the period commencing on 1 March 2002 and ending on 14 April 2002;

"OPTIONS" means the options granted by paragraph 2.1;

"PURCHASE CONSIDERATION" means an amount determined in accordance with paragraph 3;

"TDFI RELEVANT PROPORTIONS" means (a) if both the Options shall be exercised, such fraction as will, following completion of the exercise of the Options, result in CCIC and TdFI holding the same number of Ordinary Shares and Redeemable Preference Shares of the Company and (b) if one only of the Options shall be exercised, a fraction calculated by reference to the following formula:

$$A = \frac{B}{C}$$

Where:

"A" is the relevant fraction;

"B" is equal to the number of Ordinary Shares of the Company held by TdFI at the date of the exercise of such Option; and

"C" is equal to the aggregate of the number of Ordinary Shares of the Company held by CCIC and TdFI at the date of the exercise of such Option;

Provided that, if the fraction calculated by the above formula would result in TdFI in any circumstances coming to hold more than 50 per cent. of the issued share capital of the Company, the TdFI Relevant Proportion shall be such fraction as will result in TdFI holding no more than 50 per cent. of the issued share capital of the Company and CCIC shall be required to acquire such number of Ordinary Shares and Redeemable Preference Shares as TdFI would otherwise have been required to acquire but for this proviso.

2 GRANT OF OPTIONS

2.1 Subject to paragraph 2.2 and in consideration of (Pounds)1 now paid by each of Candover and Berkshire (receipt of which is hereby acknowledged):

- (a) CCIC hereby grants to Berkshire an option to require CCIC to purchase the CCIC Relevant Proportion of each class of the Berkshire Option Securities;
- (b) CCIC hereby grants to Candover an option to require CCIC to purchase the CCIC Relevant Proportion of each class of the Candover Option Securities;
- (c) TdFI hereby grants to Berkshire an option to require TdFI to purchase the TdFI Relevant Proportion of each of class of the Berkshire Option Securities; and
- (d) TdFI hereby grants to Candover an option to require TdFI to purchase the TdFI Relevant Proportion of each class of the Candover Option Securities,

in each case on the terms of this Agreement. The Options contained in paragraphs 2.1(a) and (c) may not be exercised independently of one another and the Options

contained in paragraphs 2.1(b) and (d) may not be exercised independently of one another.

- 2.2 The Options shall lapse if prior to the commencement of the Option Period any Ordinary Shares of the Company shall be listed on the official list of London Stock Exchange Limited or any other stock exchange or if permission is granted for any Ordinary Shares of the Company to be dealt in on any other stock exchange.
- 2.3 Berkshire hereby undertakes that the Berkshire Option Securities which are the subject of an exercise of either of the Options shall be sold by it free from all liens, charges, encumbrances and adverse interests or claims of any person and, subject thereto, with full title guarantee, but no other warranties, representations or assurances shall be given in respect of the Berkshire Option Securities.
- 2.4 Candover hereby undertakes that the Candover Option Securities which are the subject of an exercise of either of the Options shall be sold by it free from all liens, charges, encumbrances and adverse interests or claims of any person and, subject thereto, with full title guarantee, but no other warranties, representations or assurances shall be given in respect of the Candover Option Securities.
- 2.5 Each of the parties hereby waives any rights of pre-emption conferred on it by the Articles of Association of the Company or by the Shareholders' Agreement or otherwise over any Berkshire Option Securities and/or Candover Option Securities which may become subject to the exercise of either of the Options or of any options granted under the terms of the agreement set out in schedule 5 hereto.

3 EXERCISE OF THE OPTIONS

- 3.1 Each of Berkshire and Candover may give notice to exercise the Options during the Option Period. Such notice shall specify a date (being a week day) on which (subject to determination of the Purchase Consideration) the exercise of the relative option shall be completed, which date shall be not more than three months nor less than two months after the date of the notice.
- 3.2 The parties agree that the Purchaser first named above (the "ORIGINAL PURCHASER") shall have the right to nominate in its place as Purchaser hereunder any other undertaking which, for the purposes of the Companies Act 1985 (as amended), is a subsidiary of the Original Purchaser, a holding company of the Original Purchaser or a subsidiary of any such holding company. If written notice of such nomination is given by the Original Purchaser (prior to the exercise of any Options) to the other parties hereto, such replacement Purchaser (the "REPLACEMENT PURCHASER") shall forthwith agree to become a party to this Agreement by executing such deed of accession as the other parties may reasonably require and, upon execution of such deed, shall be entitled to all of the rights, and be bound by all of the obligations, of the Original Party hereunder, provided however that Original Purchaser shall continue to be liable to discharge such obligations to the extent that such Replacement Purchaser shall fail so to do.

4 THE PURCHASE CONSIDERATION

4.1 The Purchase Consideration for the Berkshire Option Securities or, as the case may be, the Candover Option Securities shall be the fair market value thereof (valued as a proportion of the value of the Company as a whole which is equal to the proportion of the entire issued share capital of the Company represented by the Berkshire Option Securities or, as the case may be, the Candover Option Securities) as determined by an appraisal of the value of the shares in question performed by a mutually acceptable investment banking firm that has not been engaged on a regular basis by the Company, CCIC, TdFI, Berkshire or Candover within the two years preceding the exercise of the relative option, with experience of giving appraisals in the financial analysis of businesses similar to the Company's business. If the prospective seller and the prospective purchaser are unable to agree on a mutually acceptable investment banking or other firm within 7 days following the exercise of the relative option, the prospective seller and the prospective purchaser shall select its own investment banking or other firm and the two selected firms shall select a mutually acceptable investment banking or other firm (meeting the criteria set forth above) and, in default of agreement, such investment banking or other firm shall be nominated on the application of either the prospective seller or the prospective seller by the Chairman of the New York Stock Exchange, Inc. If either party fails to select its own investment banking or other firm to select the determining firm within five days following the expiration of such seven day period, the other party's selected firm shall act as the determining firm. Upon selection of a firm pursuant to the foregoing procedures, such firm shall be provided with such financial information concerning, and access to, the Company or such parties as shall be reasonably requested by such firm in connection with its determination, including attending meetings with, or making presentations to, such firm. The selected firm shall deliver to the applicable parties a final determination of the Purchase Consideration within 30 days of its engagement, and the parties hereby agree to be bound by such decision. The fees and expenses of the determining firm shall be borne by the prospective seller and the prospective purchaser in equal shares. The applicable parties shall be responsible for their own fees and expenses, including the fees and expenses of their respective lawyers, and, if applicable, their own investment banking or other firm.

5 COMPLETION

5.1 Completion of the exercise of the Options shall take place at the registered office of the Company on the date specified in the notice mentioned in clause 3 (or, if later, 7 days after the Purchase Consideration shall have been finally determined) when all (but not part only) of the following business shall be transacted:

(a) CCIC shall pay to Berkshire or, as the case may be, Candover the CCIC Relevant Proportion of the Purchase Consideration and TdFI shall pay to Berkshire or, as the case may be, Candover the TdFI Relevant Proportion of the Purchase Consideration;

- (b) Berkshire or, as the case may be, Candover shall deliver to CCIC transfers in respect of the CCIC Relevant Proportion of each class of the Berkshire Option Securities or, as the case may be, the Candover Option Securities duly completed in favour of CCIC together with the certificate therefor (or, failing such certificate, an indemnity in terms which would be satisfactory to a reasonable purchaser);
- (c) Berkshire or, as the case may be, Candover shall deliver to TdFI transfers in respect of the TdFI Relevant Proportion of each class of the Berkshire Option Securities or, as the case may be, the Candover Option Securities duly completed in favour of TdFI together with the certificates therefor (or, failing such certificates, an indemnity in terms which would be satisfactory to a reasonable purchaser).

5.2 If either CCIC or TdFI shall default in its obligation to make payment in accordance with paragraph 5.1(a) and shall fail to remedy such default within 7 days, then such party shall lose its rights under this schedule 3 and whichever of CCIC or TdFI which has not so defaulted shall be entitled (by notice in writing to Berkshire or, as the case may be, Candover given within 5 days after the expiry of such 7 day period) elect to complete the exercise of the relevant Option in place of the party who so defaulted and the provisions of paragraph 5.1 shall apply mutatis mutandis.

6 STANDBY OPTION

6.1 The parties shall join in procuring that, as soon as practicable after the date hereof, an Extraordinary General Meeting of the Company shall be convened for the purpose of considering the resolution set out in schedule 4 as a special resolution, and each of the parties hereto (other than the Company) undertakes to vote in favour of such resolution.

6.2 Subject to the resolution referred to in paragraph 6.1 being duly passed, the Company, Candover and Berkshire each undertake to enter into the agreement set out in schedule 5 not later than 5 days after the date on which such resolution is passed.

7 ASSIGNMENT

None of the parties shall be entitled to assign or transfer its rights under this schedule.

SCHEDULE 4

THE RESOLUTION

THAT the Company be and it is hereby authorised to make an off-market purchase of its own shares in accordance with section 165 Companies Act 1985 on the terms set out in the draft Standby Option Agreement between Berkshire Fund IV, LP (1), Berkshire Investors LLC (2), Berkshire Partners LLC (3), Candover Investments PLC (4), Candover (Trustees) Limited (5), Candover Partners Limited (6), Candover Partners Limited (7), Candover Partners Limited (8), Candover Partners Limited (9) and Castle Transmission Services (Holdings) Limited (10) in the form produced to the meeting.

SCHEDULE 5

STANDBY OPTION AGREEMENT

BERKSHIRE FUND IV, LP	(1)
BERKSHIRE INVESTORS LLC	(2)
BERKSHIRE PARTNERS LLC	(3)
CANDOVER INVESTMENTS PLC	(4)
CANDOVER (TRUSTEES) LIMITED	(5)
CANDOVER PARTNERS LIMITED	(6)
CANDOVER PARTNERS LIMITED	(7)
CANDOVER PARTNERS LIMITED	(8)
CANDOVER PARTNERS LIMITED	(9)
CASTLE TRANSMISSION SERVICES (HOLDINGS) LIMITED	(10)

STANDBY OPTION AGREEMENT

NORTON ROSE
London

THIS AGREEMENT is dated
..... 1998 and is made
AMONG:

- (1) BERKSHIRE FUND IV, LP, a Massachusetts limited partnership;
- (2) BERKSHIRE INVESTORS LLC, a Massachusetts limited liability corporation;
- (3) BERKSHIRE PARTNERS LLC, a Massachusetts limited liability corporation;
- (4) CANDOVER INVESTMENTS PLC, a company incorporated in England and Wales;
- (5) CANDOVER (TRUSTEES) LIMITED, a company incorporated in England and Wales;
- (6) CANDOVER PARTNERS LIMITED, a company incorporated in England and Wales (as general partner of the Candover 1994 UK Limited Partnership);
- (7) CANDOVER PARTNERS LIMITED, a company incorporated in England and Wales (as general partner of the Candover 1994 UK No. 2 Limited Partnership);
- (8) CANDOVER PARTNERS LIMITED, a company incorporated in England and Wales (as general partner of the Candover 1994 US No. 1 Limited Partnership);
- (9) CANDOVER PARTNERS LIMITED, a company incorporated in England and Wales (as general partner of the Candover 1994 US No. 2 Limited Partnership);
- (10) CASTLE TRANSMISSION SERVICES (HOLDINGS) LIMITED (the "COMPANY"), a company incorporated in England and Wales.

1 DEFINITIONS AND INTERPRETATION

1.1 In this Agreement unless the context otherwise requires:

"BERKSHIRE" has the meaning ascribed to such expression in the Shareholders' Agreement;

"CANDOVER" has the meaning ascribed to such expression in the Shareholders' Agreement;

"SHAREHOLDERS' AGREEMENT" means the shareholders' agreement in respect of the Company dated 23 January 1997 (as amended by a Deed of Adherence dated 2 May 1997);

"BERKSHIRE OPTION SECURITIES" means all Ordinary Shares, Redeemable Preference Shares and other securities of the Company held by Berkshire on the date on which either of the Standby Options is exercised;

"CANDOVER OPTION SECURITIES" means all Ordinary Shares, Redeemable Preference Shares and other securities of the Company held by Candover on the date on which either of the Standby Options is exercised;

"STANDBY OPTIONS" means the options granted by clause 2.1;

"PURCHASE CONSIDERATION" means an amount determined in accordance with clause 3;

"STANDBY OPTION PERIOD" means the period commencing on the 13th/ day following the date (if any) on which Crown Castle International Corp. or, as the case may be, TeleDiffusion de France International S.A. fails (in breach of its contractual obligations) to complete the purchase of the Berkshire Option Securities or, as the case may be, the Candover Option Securities under the terms of schedule 3 to the Share Sale Agreement pursuant to an exercise of either of the Options (as defined in the Share Sale Agreement) in circumstances in which Crown Castle International Corp. (if it is not the party which so breached its contractual obligations) or TeleDiffusion de France International S.A. (if it is not the party which so breached its contractual obligations) has not elected to exercise its right to purchase the Berkshire Option Securities or, as the case may be, the Candover Option Securities pursuant to paragraph 5.2 of schedule 3 to the Share Sale Agreement (or, having exercised such right, fails to comply with its obligations under paragraph 5.2 of schedule 3 to the Share Sale Agreement) and ending 45 days after the commencement of such period;

"SHARE SALE AGREEMENT" means an agreement dated 24 April 1998 between Berkshire Fund IV, LP and others for the sale and purchase of certain shares of the Company, for the amendment of the Shareholders' Agreement and for the granting of certain options.

1.2 In this Agreement unless the context otherwise requires:

- (a) a document expressed to be "IN THE AGREED FORM" means a document in a form which has been agreed by the parties contemporaneously with or before the execution of this Agreement and which has, for the purposes of identification, been signed or initialled by them or on their behalf;
- (b) references to a clause or schedule are to a clause of, or a schedule to, this Agreement, references to this Agreement include its schedules and references in a schedule or part of a schedule to a paragraph are to a paragraph of that schedule or that part of that schedule;
- (c) references to this Agreement or any other document or to any specified provision of this Agreement or any other document are to this Agreement, that document or that provision as in force for the time being and as amended from time to time in accordance with the terms of this Agreement or that document or, as the case may be, with the agreement of the relevant parties;
- (d) words importing the singular include the plural and vice versa, words importing a gender include every gender and references to persons include corporations, partnerships and other unincorporated associations or bodies of persons;
- (e) the contents table and the descriptive headings to clauses, schedules and paragraphs are inserted for convenience only, have no legal effect and shall be ignored in the interpretation of this Agreement.

2 GRANT OF OPTIONS

2.1 Subject to paragraph 2.2, the Company (in consideration of (Pounds)1 now paid by each of Candover and Berkshire, of which receipt is hereby acknowledged) hereby grants:

- (a) to Berkshire an option to require the Company to purchase the Berkshire Option Securities; and
- (b) to Candover an option to require the Company to purchase the Candover Option Securities,

in each case on the terms of this Agreement.

2.2 The Standby Options shall lapse if:

- (a) prior to the commencement of the Option Period (as defined in the Share Sale Agreement) any Ordinary Shares of the Company shall be listed on the official list of London Stock Exchange Limited or any other stock exchange or if permission is granted for any Ordinary Shares of the Company to be dealt in on any other stock exchange; or
- (b) the Company shall notify the party exercising either of the Standby Options within 35 days of the exercise thereof that it is unable to complete the purchase of the Berkshire Option Securities or, as the case may be, the Candover Option Securities:
 - (i) by reason of its inability to comply with the relevant provisions of Companies Act 1985 (or any other legislation then in force) in respect of such purchase; or
 - (ii) without being in breach of the terms of the (Pounds)125,000,000 9 per cent. Guaranteed Bonds due 2007 issued by Castle Transmission (Finance) PLC or the terms of any of its other financing facilities.

2.3 Berkshire hereby undertakes that the Berkshire Option Securities which are the subject of an exercise of the Standby Options shall be sold by it free from all liens, charges, encumbrances and adverse interests or claims of any person and, subject thereto, with full title guarantee, but no other warranties, representations or assurances shall be given in respect of the Berkshire Option Securities.

2.4 Candover hereby undertakes that the Candover Option Securities which are the subject of an exercise of the Standby Options shall be sold by it free from all liens, charges, encumbrances and adverse interests or claims of any person and, subject thereto, with full title guarantee, but no other warranties, representations or assurances shall be given in respect of the Candover Option Securities.

3 EXERCISE OF THE STANDBY OPTIONS

3.1 Each of Berkshire and Candover may give notice to exercise the Standby Options during the Standby Option Period. Such notice shall specify a date (being a week day) on which (subject to determination of the Purchase Consideration) the exercise of the

relative option shall be completed, which date shall be not more than three months nor less than two months after the date of the notice.

4 THE PURCHASE CONSIDERATION

4.1 The Purchase Consideration for the Berkshire Option Securities or, as the case may be, the Candover Option Securities shall be the fair market value thereof as determined pursuant to paragraph 4.1 of schedule 3 to the Share Sale Agreement.

5 COMPLETION

5.1 Completion of the exercise of the Standby Options shall take place at the registered office of the Company on the date specified in the notice mentioned in clause 3 when all (but not part only) of the following business shall be transacted:

- (a) the Company shall pay to Berkshire or, as the case may be, Candover the Purchase Consideration;
- (b) the Company shall deliver to Berkshire or, as the case may be, Candover evidence that it has duly complied with all the requirements of the Companies Act 1985 and of all other requirements of legislation then in force in respect of the purchase;
- (c) Berkshire or, as the case may be, Candover shall deliver to the Company transfers in respect of the Berkshire Option Securities or, as the case may be, the Candover Option Securities duly completed in favour of the Company together with the certificates therefor (or, failing such certificates, an indemnity in terms which would be satisfactory to a reasonable purchaser).

6 WARRANTIES

6.1 Each party warrants to the other parties as follows:

- (a) it has the legal right and power to enter into this Agreement and to consummate the transactions contemplated hereby on and subject to the terms and conditions of this Agreement, and the execution, delivery and performance of this Agreement by it has been duly and validly authorised and this Agreement is a valid and binding agreement enforceable in accordance with its terms; and
- (b) no further authorisation, consent or approval of any person is required by or in relation to it as a condition to the validity of this Agreement or to give effect to the transactions contemplated hereby.

7 CONFIDENTIALITY

7.1 All matters relating to this Agreement and the negotiations relating to this Agreement and all information acquired or received by any party under or in connection with this Agreement shall be held confidential, and each party agrees that it shall not divulge any such confidential information to any third party, without the prior written

approval of all other parties provided that any party may, without such approval, disclose such matters or information:

- (a) to any outside professional consultants upon obtaining a similar undertaking of confidentiality from such consultants;
- (b) to any bank or financial institution from whom such party is seeking to obtain finance, upon obtaining a similar undertaking of confidentiality from such bank or institution;
- (c) to the extent that the same has become generally available to the public other than as a result of unauthorised disclosure by a party;
- (d) in the case of a party which is a partnership or a general partner in a partnership, to the party's constituent partners; and
- (e) to persons or the general public if disclosure to such persons or the general public is required to comply with any applicable law or regulation of any country or the rules or regulations of the London Stock Exchange or any other exchange or market on which securities of a party or the parent company of a party are quoted, provided that any such information disclosed pursuant to this sub-clause (e) shall be disclosed only after consultation with the other parties unless such consultation is prohibited or the time limits within which such disclosure must be made are such that consultation is impracticable.

8 PUBLIC ANNOUNCEMENTS

- 8.1 No party shall issue or make any public announcements or statements regarding this Agreement unless prior thereto such party furnishes all parties with a copy of such announcement or statement and obtains the approval of the other parties which approval shall not be unreasonably withheld provided that, notwithstanding any failure to obtain approval, no party shall be prohibited from issuing or making any such public announcement or statement if it is necessary to do so in order to comply with any applicable law or regulation of any country or the rules or regulations of the London Stock Exchange or any other exchange or market on which securities of a party or the parent company of a party are quoted, it being recognised, however that the parties will endeavour to ensure that any such public announcements or statements are made contemporaneously.

9 FURTHER ASSURANCES AND COSTS

- 9.1 The parties shall each execute and deliver such further and other documents and instruments and do such further and other things as may be necessary to implement and carry out the intent of this Agreement.
- 9.2 Each party shall bear its own legal and other costs incurred in respect of the preparation and negotiation of this Agreement and stamp duty in respect of the transfer of the Berkshire Option Securities and the Candover Option Securities shall be borne by the Company.

10 MODIFICATION AND ASSIGNMENT

- 10.1 No purported variation of this Agreement shall be effective unless made in writing and agreed by all the parties hereto.
- 10.2 No party shall be entitled to assign its rights under this Agreement.

11 EFFECT OF WAIVER

- 11.1 No waiver by any party of any default in the strict and literal performance or compliance with any provision, condition or requirement hereof shall be deemed to be a waiver of strict and literal performance of and compliance with any other provision, condition or requirement herein nor to be a waiver of or in any manner release any other party from strict compliance with any provision, condition or requirement in the future. Nor shall any delay or omission by any party to exercise any right hereunder in any manner impair the exercise of any such right accruing to such party thereafter. Except when otherwise expressly stated therein, no remedy expressly granted herein to any party shall exclude or be deemed to exclude any other remedy which would otherwise be available.

12 ENTIRE AGREEMENT

- 12.1 This Agreement sets out the entire agreement and understanding between the parties with respect to the subject matter hereof and supersedes any prior communications or correspondence with respect to the subject matter hereof. It is agreed that:
- (i) no party has entered into this Agreement in reliance upon any representation, warranty or undertaking of any other party which is not expressly set out or referred to in this Agreement and no party shall have any liability for any representation, warranty or undertaking of any other party except to the extent (if any) expressly set out in this Agreement;
 - (ii) no party shall have any remedy in respect of misrepresentation or untrue statement made by any other party unless and to the extent that a claim lies for breach of warranty under this Agreement;
 - (iii) this clause shall not exclude any liability for fraudulent misrepresentation.

13 GOVERNING LAW AND JURISDICTION

- 13.1 This Agreement shall be governed by and construed and interpreted in accordance with the laws of England.
- 13.2 Each of the parties (for itself and on behalf of its respective holding and subsidiary companies and the directors, employees and agents of each of them) agrees that the English Courts shall have exclusive jurisdiction to hear and decide any and all claims, disputes, complaints, actions or proceedings ("Claims or Proceedings"), whether in contract or tort, which may arise at any time out of or in connection with any of the matters referred to in this Agreement, including, but not limited to, any Claim or Proceeding asserting dishonesty, improper or illegal conduct or breach of trust or duty

or based on the effects of any of those matters in any jurisdiction and any Claim or Proceedings which may be material to any of the parties but of which any of the parties is unaware or does not suspect exists and for this purpose each of the parties irrevocably submits to the exclusive jurisdiction of the English Courts.

13.3 Berkshire hereby irrevocably authorises and appoints Norose Notices Limited (AMC/99/Z865000) (for the attention of the Director of Administration) at the address of its registered office for the time being or such other person resident in England as it may by notice to all other parties substitute) to accept service of all legal process arising out of or connected with this Agreement and service on Norose Notices Limited (or such substitute) shall be deemed to be service on the party concerned.

14 NOTICES

14.1 All notices and other communications required or permitted under this Agreement shall be in writing and shall be delivered personally, sent by air courier (in the case of notices given by a party in one jurisdiction to a party in another), first class pre-paid post (in the case of a notice given by a party in one jurisdiction to a party in the same jurisdiction), telexed or sent by facsimile transmission (and promptly confirmed by air courier service in the case of notices sent from one jurisdiction to another and by first class pre-paid post in the case of notices sent by a party in one jurisdiction to another party in the same jurisdiction). Any such notice shall be deemed given when so delivered personally, telexed or sent by facsimile transmission or air courier or first class pre-paid post to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

Berkshire: if to Berkshire, to:

Berkshire Partners
One Boston Place
Boston, Massachusetts 02108
USA
Attention: Carl Ferenbach
Fax: 617-227-6105

Candover: if to Candover, to:

Candover Investments PLC
20 Old Bailey
London EC4M 7LN
Attention: Douglas Fairservice
Fax: 0171 248 5483

the Company: if to the Company, to:

the Company at its registered office
Attention: Managing Director
Fax: 01926 416441

15 COUNTERPARTS

This Agreement may be executed in any number of counterparts with the same effect as if the signatures to each such counterparty were upon the same instrument.

IN WITNESS of which this agreement has been executed.

SIGNED for and on behalf of)
BERKSHIRE FUND IV, LP)
By)
in the presence of:)

SIGNED for and on behalf of)
BERKSHIRE INVESTORS LLC)
By)
in the presence of:)

SIGNED for and on behalf of)
BERKSHIRE PARTNERS LLC)
By)
in the presence of:)

SIGNED for and on behalf of)
CANDOVER INVESTMENTS PLC)
By)
in the presence of:)

SIGNED for and on behalf of)
CANDOVER (TRUSTEES) LIMITED)
By)
in the presence of:)

SIGNED for and on behalf of)
CANDOVER PARTNERS LIMITED)
(as general partner of the)
Candover 1994 UK Limited)
Partnership))
By)
in the presence of:)

SIGNED for and on behalf of)
CANDOVER PARTNERS LIMITED)
(as general partner of the)
Candover 1994 UK No. 2 Limited)
Partnership))
By)
in the presence of:)

SIGNED for and on behalf of)
CANDOVER PARTNERS LIMITED)
(as general partner of the)
Candover 1994 US No. 1 Limited)
Partnership))
By)
in the presence of:)

SIGNED for and on behalf of)
CANDOVER PARTNERS LIMITED)
(as general partner of the)
Candover 1994 US No. 2 Limited)
Partnership))
By)
in the presence of:)

SIGNED for and on behalf of)
CASTLE TRANSMISSION)
SERVICES (HOLDINGS) LIMITED)
By)
in the presence of:)

SIGNED for and on behalf of)
BERKSHIRE FUND IV, LP)
By)
in the presence of:)

SIGNED for and on behalf of)
BERKSHIRE INVESTORS LLC)
By)
in the presence of:)

SIGNED for and on behalf of)
BERKSHIRE PARTNERS LLC)
By)
in the presence of:)

SIGNED for and on behalf of)
CANDOVER INVESTMENTS PLC)
By)
in the presence of:)

SIGNED for and on behalf of)
CANDOVER (TRUSTEES) LIMITED)
By)
in the presence of:)

SIGNED for and on behalf of)
CANDOVER PARTNERS LIMITED)
(as general partner of the)
Candover 1994 UK Limited)
Partnership))
By)
in the presence of:)

SIGNED for and on behalf of)
CANDOVER PARTNERS LIMITED)
(as general partner of the)
Candover 1994 UK No. 2 Limited)
Partnership))
By)
in the presence of:)

SIGNED for and on behalf of)
CANDOVER PARTNERS LIMITED)
(as general partner of the)
Candover 1994 US No. 1 Limited)
Partnership))
By)
in the presence of:)

SIGNED for and on behalf of)
CANDOVER PARTNERS LIMITED)
(as general partner of the)
Candover 1994 US No. 2 Limited)
Partnership))
By)
in the presence of:)

SIGNED for and on behalf of)
CROWN CASTLE INTERNATIONAL)
CORP.)
By:)
in the presence of:)

SIGNED for and on behalf of)
TELEDIFFUSION DE FRANCE)
INTERNATIONAL S.A.)
By)
in the presence of:)

SIGNED for and on behalf of)
DIGITAL FUTURE INVESTMENTS B.V.)

By)
in the presence of:)

SIGNED for and on behalf of)
CASTLE TRANSMISSION)
SERVICES (HOLDINGS) LIMITED)
By)
in the presence of:)

GOVERNANCE AGREEMENT (this "Agreement") dated as of the []

day of _____, 1998, among CROWN CASTLE INTERNATIONAL CORP.
(formerly named Castle Tower Holding Corp.), a Delaware
corporation (the "Company"), TELEDIFFUSION DE FRANCE

INTERNATIONAL S.A. ("TDF"), a company incorporated in France, and

DIGITAL FUTURE INVESTMENTS B.V., a wholly owned indirect
subsidiary of TeleDiffusion de France S.A. and a company
organized under the laws of the Netherlands ("DFI (BV)").

W I T N E S S E T H :

WHEREAS the Company, Castle Transmission Services (Holdings) Ltd.
("CTSH"), DFI (BV), TDF, and certain other shareholders of CTSH are parties to a

Share Exchange Agreement (the "Exchange Agreement") pursuant to which DFI (BV)

and such other shareholders have agreed, subject to the terms and conditions of
the Exchange Agreement, to exchange (the "Exchange") their shares of capital

stock of CTSH for shares of Common Stock (as defined) of the Company; and

WHEREAS, as an inducement to TDF to enter into the Exchange Agreement,
the Company and TDF desire to enter into this Agreement upon the Closing to
provide for certain rights and obligations of the Company and TDF with respect
to the governance of the Company following the consummation of the Exchange.

NOW, THEREFORE, the Company and TDF, for good and valuable
consideration, the receipt and sufficiency of which are hereby acknowledged,
agree as follows:

ARTICLE I

Definitions

SECTION 1.01. Certain Defined Terms. As used in this Agreement,

capitalized terms shall have the meanings assigned to such terms as set forth
below:

"Affiliate" and "Associate", when used with reference to any person,

shall have the respective meanings ascribed to such terms in Rule 12b-2 of the
Exchange Act, as in effect on the date of this Agreement.

"Anti-dilutive Rights" shall have the meaning set forth in Section

2.01(a).

A person shall be deemed the "beneficial owner" of, and shall be

deemed to "beneficially own", and shall be deemed to have "beneficial ownership"

of:

(i) any securities that such person or any of such person's
Affiliates or Associates is deemed to "beneficially own" within the meaning
of Rule 13d-3 under the Exchange Act, as in effect on the date of this
Agreement; and

(ii) any securities (the "underlying securities") that such person

or any of such person's Affiliates or Associates has the right to acquire
(whether such right is exercisable immediately or only after the passage of
time) pursuant to any agreement, arrangement or understanding (written or
oral), or upon the exercise of conversion rights, exchange rights, rights,
warrants or options, or otherwise (it being understood that such person
shall also be deemed to be the beneficial owner of the securities
convertible into or exchangeable for the underlying securities).

"Appraiser" shall have the meaning set forth in Section 5.01(b).

"Asset Swap" shall mean the exchange of wholly owned assets for other

wholly owned assets of a similar nature and tenure where the Fair Market Value
of the assets received is at least equal to the Fair Market Value of the assets
disposed of or, if less, the difference is received in cash and such cash
constitutes a "disposition" for purposes of Section 4.02(a)(iii) and Section
4.02(b)(v).

"BBC" shall mean The British Broadcasting Corporation.

"BBC Analogue Transmission Contract" shall mean the BBC Analogue

Transmission Contract among the BBC and Castle Transmission International Ltd.
("CTI"), dated as of February 28, 1997.

"BBC Contracts" shall mean the BBC Analogue Transmission Contract

among the BBC and Castle Transmission International Ltd., dated as of February
28, 1997, and the BBC Digital Transmission Contract among the BBC and CTI, dated
as of February 10, 1998.

"BBC Digital Transmission Contract" shall mean the BBC Digital

 Transmission Contract among the BBC and CTI, dated as of February 10, 1998.

"Berkshire Group" shall have the meaning given to such term in the

 Stockholders Agreement.

"Board" shall mean the Board of Directors of the Company.

"Board Agenda" shall mean the agenda to be supplied pursuant to

 Section 3.07(b) of the Stockholders Agreement to each director of the Company
 prior to any meeting of the Board.

"Business Combination" shall mean any of the following: (i) the sale,

 lease, transfer, conveyance or other disposition (other than by way of merger or
 consolidation), of all or substantially all of the assets of the Company and its
 Subsidiaries, taken as whole, to any person or (ii) any transaction (including,
 without limitation, any merger or consolidation) the consummation of which would
 result in any person (other than any Newco) becoming, directly or indirectly,
 the beneficial owner of more than 50% of the Voting Securities and/or Equity
 Securities (other than Customary Preferred Stock) of the Company (measured in
 the case of Voting Securities by Voting Power rather than number of shares).

"Business Day" shall mean any day that is not a Saturday, a Sunday, a

 bank holiday or any other day on which commercial banking institutions in New
 York, New York, Paris, France, or London, England, are not generally open for
 business.

"By-laws" shall mean the By-laws of the Company to be adopted with

 immediate effect upon the Closing, as amended from time to time in accordance
 with the terms of this Agreement and applicable law.

"Candover-Berkshire Agreement" shall have the meaning set forth in the

 Exchange Agreement.

"Charter" shall mean the certificate of incorporation of the Company

 to be adopted with immediate effect upon the Closing, as amended from time to
 time in accordance with the terms of this Agreement and applicable law.

"Class A Stock" shall mean the Company's Class A Common Stock, \$.01

 par value per share, as designated in the Charter.

"Closing" shall have the meaning given to such term in the Exchange

 Agreement.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Commission" shall mean the Securities and Exchange Commission, or any

 other Federal agency at the time administering the Securities Act and the
 Exchange Act.

"Commitment Agreement" shall mean the Commitment Agreement, dated

 February 28, 1997, as amended, among the BBC, the Company, TDF and TeleDiffusion
 de France, S.A.

"Common Stock" shall mean shares of the Company's common stock, par

 value \$.01 per share, as designated in the Charter.

"Common Stock Call Price" shall mean the weighted average price per

 share of Common Stock over the five trading days immediately preceding the
 second anniversary of the date of the Closing.

"Company Call Right" shall have the meaning set forth in Section 6.02.

"Company CTSH Shares" shall mean the CTSH Shares beneficially owned by

 the Company.

"Company CTSH Warrants" shall mean the CTSH Warrants beneficially

 owned by the Company.

"Conditions Precedent" shall mean the conditions precedent set forth

 on Schedule B hereto.

"Conflicted Action" shall mean any Significant Action under Section

 4.01(b)(iii) or (iv) proposed to be entered into by the Board, which TDF has not
 confirmed to the Company in writing prior to exercising its Veto right under
 Section 4.01(b) that, to TDF's knowledge (after having made all reasonable
 inquiries in the circumstances of appropriate management of the members of the
 TDF Group), is not proposed to be entered into by any member of the TDF Group in

 competition with, or to the exclusion of, the Company or any Subsidiary of the
 Company.

"Consolidated Cash Flow" shall mean, with respect to any person for

any period, the consolidated net income of such person for such period plus (i) provision for taxes based on income or profits of such person and its Subsidiaries for such period, to the extent that such provision for taxes was included in computing such consolidated net income, plus (ii) consolidated interest expense of such person and its Subsidiaries for such period, whether paid or accrued and whether or not capitalized (including, without limitation, amortization of debt issuance costs and original issue discount, noncash interest payments, the interest component of any deferred payment obligations, the interest component of all payments associated with capital lease obligations, imputed interest with respect to attributable Indebtedness, commissions, discounts and other fees and charges incurred in respect of letters of credit or bankers acceptance financings, and net payments (if any) pursuant to hedging obligations), to the extent that any such expense was deducted in computing such consolidated net income, plus (iii) depreciation, amortization (including amortization of goodwill and other intangibles and other noncash expenses (excluding any such noncash expense to the extent that it represents an accrual of or reserve for cash expenses in any future period) of such person and its Subsidiaries for such period to the extent that such depreciation, amortization and other non cash expenses were deducted in computing such consolidated net income, minus (iv) noncash items increasing such consolidated net income for such period (excluding any items that were accrued in the ordinary course of business), in each case on a consolidated basis and determined in accordance with U.S. generally accepted accounting principles.

"CTSH Credit Agreement" shall mean the credit agreement dated February

28, 1997, as amended as of May 21, 1997, among CTI as borrower, CTSH as guarantor, the lenders listed therein, Credit Suisse First Boston as agent and arranger and J.P. Morgan Securities Ltd. as coarranger, together with the documents related thereto (including, without limitation, any guarantee agreements and security documents).

"CTSH Option" shall have the meaning set forth in Section 5.01(a).

"CTSH Ordinary Shares" shall mean the ordinary shares of 1p each of

CTSH.

"CTSH Per Share Value" shall have the meaning set forth in Section

5.01(a).

"CTSH Preference Shares" shall mean the redeemable preference shares

 of 1p each of CTSH.

"CTSH Shares" shall mean the CTSH Ordinary Shares and the CTSH

 Preference Shares.

"CTSH Shareholders Agreement" shall have the meaning set forth in the

 Exchange Agreement.

"CTSH Warrants" shall mean the warrants dated February 28, 1997,

 entitling TDF to subscribe for 257,000 CTSH Ordinary Shares and 257,242,500 CTSH
 Preference Shares and the Company to subscribe for 515,000 CTSH Ordinary Shares
 and 514,485,000 CTSH Preference Shares.

"Customary Preferred Stock" shall mean cash settled, non-convertible,

 non-voting preferred stock of the Company, with no rights of governance, no
 board representation rights (other than customary rights in connection with a
 default), which is not a "tracking" stock and which carries a simple, pre-set
 fixed percentage rate of yield dividend.

"Debt to Adjusted Consolidated Cash Flow Ratio" shall mean, as of any

 date of determination, the ratio of (a) the Indebtedness of the Company as of
 such date to (b) the sum of (1) the Consolidated Cash Flow of the Company for
 the four most recent full fiscal quarters ending immediately prior to such date
 for which internal financial statements are available, less the Company's Tower
 Cash Flow for such four-quarter period, plus (2) the product of four times the
 Company's Tower Cash Flow for the most recent quarterly period (such sum being
 referred to as "Adjusted Consolidated Cash Flow"), in each case determined on a

 pro forma basis after giving effect to all acquisitions or dispositions of
 assets made by the Company and its Subsidiaries from the beginning of such four-
 quarter period through and including such date of determination (including any
 related financing transactions) as if such acquisitions and dispositions had
 occurred at the beginning of such four-quarter period. For purposes of making
 the computation referred to above, (i) acquisitions that have been made by the
 Company or any of its Subsidiaries, including through mergers or consolidations
 and including any related financing transactions, during the reference period or
 subsequent to such reference period and on or prior to the calculation date
 shall be deemed to have occurred on the first day of the reference period and
 Consolidated Cash Flow for such reference period shall be calculated, and (ii)
 the Consolidated Cash Flow attributable to discontinued operations, as
 determined in accordance with U.S. generally

accepted accounting principles, and operations or businesses disposed of prior to the calculation date, shall be excluded.

"Equity Security" shall mean any security (whether or not a Voting Security) which is an ordinary share, a preferred share (other than a preferred share which is mandatorily redeemable for cash or mandatorily exchangeable for debt securities) or a common share or is classified as an equity security under U.S. generally accepted accounting principles, or any securities convertible or exchangeable for any such equity security.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended, or any similar Federal securities statute, and the rules and regulations of the Commission thereunder, all as the same shall be in effect at the time.

"Exchange Agreement" shall mean the Share Exchange Agreement dated as of April 24, 1998, among the Company, CTSH, TDF, and DFI (BV).

"Exchange Ratio" shall mean in the case of each CTSH Shareholder, 1.4 shares of Common Stock, and in the case of DFI (BV) and TDF, 1.4 shares of Class A Stock, for (a) 1 CTSH Ordinary Share, 1p per share, together with 999 CTSH Preference Shares, 1p per share, as adjusted pursuant to Section 1.2 of the Exchange Agreement or (b) in the event that the CTSH Preference Shares are redesignated into CTSH Ordinary Shares on a "one for one" basis, 1000 CTSH Ordinary Shares, 1p per share, as adjusted pursuant to Section 1.02 of the Exchange Agreement.

"Exercise Price" shall have the meaning set forth in Section 5.01(a)(i).

"Fair Market Value" shall mean, as to any property, the cash price at which a willing seller would sell and a willing buyer would buy such property in an arms'-length negotiated transaction without time constraints.

"Indebtedness" shall mean all obligations, without duplication, (including without limitation hedging obligations), contingent and otherwise, which should, in accordance with U.S. generally accepted accounting principles consistently applied, be classified upon the obligor's consolidated balance sheet as liabilities, including, without limitation, liabilities secured by any mortgage on property owned or acquired subject to such mortgage, and also including, without limitation, (i) all guaranties, endorsements and other contingent obligations, in respect of Indebtedness of others, whether or not the same are or should be so reflected in the said balance sheet, except guaranties by endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business, (ii) a

preferred share which is mandatorily redeemable for cash or exchangeable for debt securities and (iii) the present value of any lease payments due under leases required to be capitalized in accordance with applicable Statements of Financial Accounting Standards, determined in accordance with applicable Statements of Financial Accounting Standards; provided that the foregoing shall not include any such obligations with respect to trade payables under 90 days old.

"Independent Director" shall have the meaning given to such term in the Stockholders Agreement.

"Initial Investors" shall mean, in each case as defined in the Stockholders Agreement, the Berkshire Group, the Centennial Group and the Nassau Group.

"IPO" shall have the meaning set forth in the Exchange Agreement.

"Maintenance Securities" shall have the meaning set forth in Section 2.01(a).

"Material Adverse Effect" shall mean, with respect to any person, a material adverse effect on the business, financial condition or results of operations of such person.

"Newco" shall mean any person which becomes a holding company of the Company all the shares in which (other than shares not exceeding the Relevant Percentage) are held by the same persons as were stockholders in the Company prior to such person becoming a holding company of the Company.

"Option Exercise Period" shall have the meaning set forth in Section 5.01(a).

"Option Notice" shall have the meaning set forth in Section 5.01(a).

"Permitted Business Line" shall mean (i) the ownership, operation or management (for third party owners or otherwise) of terrestrial wireless communication (including without limitation voice, data and video) infrastructure (including equipment and facilities principally related thereto) and (ii) the provision of infrastructure services principally relating thereto, including but not limited to network transmission and services (it being understood for the avoidance of doubt that the transmission of radio and television broadcasting shall be within the foregoing definition).

"Permitted Indebtedness" shall mean any of the following items of

 Indebtedness of the Company or any of its Subsidiaries: (i) any Indebtedness under the Senior Credit Facility up to an aggregate principal amount of \$100 million outstanding at any one time; (ii) Indebtedness represented by the 10-5/8% Senior Discount Notes due 2007 of the Company; (iii) Indebtedness under the CTSH Credit Agreement up to an aggregate principal amount of (Pounds)85,000,000 outstanding at any one time; or (iv) Indebtedness represented by the 9% Guaranteed Bonds due 2007 of CTSH.

"person" shall mean an individual, corporation, limited liability

 company, partnership, joint venture, trust or unincorporated organization, or a government or any agency or political subdivision thereof and shall include any "group" (which shall have the meaning given to such term in Section 13(d)(3) of the Exchange Act).

"Preferred Security" shall mean any Equity Security of the Company

 which is designated as "preferred" in the Company's Charter.

"Public Offering" shall mean an underwritten public offering of Equity

 Securities pursuant to an effective registration statement filed by the Company with the Commission in accordance with the Securities Act.

TDF will be "Qualified" for purposes of this Agreement if (i) during

 the period from the date of the Closing to (and including) the second anniversary of such date, (A) the TDF Consolidated Group Interest is not at any time less than 10.5%, (B) a Business Combination has not at any time been consummated and (C) there has not occurred a TDF Change of Control and (ii) following the occurrence of such second anniversary without any loss of Qualification by TDF under clauses (i)(A), (B) or (C) preceding, (A) the TDF Put Right has been exercised by TDF on or prior to the second anniversary of the Closing, or the Company Call Right has been exercised by the Company on such second anniversary, (B) the TDF Group Interest is not at any time less than 10.5%, (C) a Business Combination has not at any time been consummated and (D) there has not occurred a TDF Change of Control. Notwithstanding the foregoing, TDF shall also be deemed to be Qualified for purposes of this Agreement in the circumstances set forth in Section 6.01(b) and 6.02(b).

"Relevant Percentage" shall mean 25%, or if the Company elects by

 notice in writing to TDF, 30%.

"Restricted Party" shall mean any of the entities listed in Schedule A

hereto, including any successor thereto.

"Securities Act" shall mean the Securities Act of 1933, as amended, or

any similar Federal securities statute, and the rules and regulations of the Commission thereunder, all as the same shall be in effect at the time.

"Senior Credit Facility" shall mean that certain Loan Agreement dated

as of April 26, 1995, as amended by the First Amendment to the Loan Agreement dated as of June 26, 1996, the Second Amendment to Loan Agreement dated as of January 17, 1997, the Third Amendment to Loan Agreement dated as of April 3, 1997, the Fourth Amendment to Loan Agreement dated as of October 31, 1997, and the Fifth Amendment to Loan Agreement dated as of November 24, 1997, by and among Crown Communication Inc. (previously Castle Tower Corporation) and Crown Castle International de Puerto Rico, as the borrowers, Key Bank National Association, as agent, and PNC Bank, National Association, as arranger, including any related notes, guarantees, collateral documents, instruments and agreements executed in connection therewith, and in each case as amended, modified, renewed, refunded, replaced or refinanced from time to time.

"Senior Preferred Stock" shall mean the Company's Senior Convertible

Preferred Stock, par value \$.01 per share.

"Senior Preferred Warrants" shall mean the Company's Class B Common

Stock Warrants granted in connection with the issuance of the Senior Preferred Stock.

"Significant Action" shall have the meaning set forth in Section

4.01(b).

"Simple Majority Event" shall mean any vote of the Board under the

following circumstances: (i) following the second anniversary of the Closing, six Independent Directors having been duly elected to, and qualified on, the Board (which Board then contains no less than two Directors designated for nomination by the Initial Investors) who are present, in person or by proxy, and voting, provided, however, that one existing Independent Director (other than

the Independent Director initially appointed by TDF pursuant to 3.02(a)(viii) of the Stockholders Agreement) is replaced, (ii) seven Independent Directors having been duly elected to, and qualified on, the Board who are present, in person or by proxy, and voting, provided, however, that one existing Independent Director

(other than the Independent

Director initially appointed by TDF pursuant to 3.02(a)(viii) of the Stockholders Agreement) is replaced or (iii) any vote of the Board after the fifth anniversary of the date of the Closing.

"Special Business Combination" shall mean the occurrence of any event

 or circumstance described in clause 13.5.1 of the Analogue Transmission Contract (other than a breach by TDF of the Commitment Agreement) or clause 12.7.1 of the Digital Transmission Contract in relation to any holding company (as defined in Section 736 of the UK Companies Act 1985) of CTSH or a bona fide unsolicited written offer to acquire a percentage of the Equity Securities of the Company which, if it were to be consummated or otherwise allowed to occur without the consent or approval of the BBC, would or might result in the BBC having the right to terminate any BBC Contract in accordance with the terms of clauses 13.5.1 of the BBC Analogue Transmission Contract or clauses 12.7.1 of the BBC Digital Transmission Contract.

"Special Majority Vote of the Board" shall mean (i) approval by two-

 thirds of the entire Board (it being understood that in the event that two-thirds shall not be a whole number, such two-thirds number shall be rounded up to the next integral number) or (ii) at such time as one existing Independent Director (other than the Independent Director initially appointed by TDF pursuant to 3.02(a)(viii) of the Stockholders Agreement) is replaced and five Independent Directors shall have been duly elected and shall have qualified and shall be present, in person or by proxy, and voting, approval by two-thirds of the entire Board (it being understood that in the event that two-thirds number shall not be a whole number, such two-thirds number shall be rounded down to the next integral number); provided, however, that so long as the number of

 directors constituting the entire Board is twelve, (a) under the circumstances in clause (i) above, "Special Majority Vote of the Board" shall mean the approval of nine directors and (b) under the circumstances in clause (ii) above, "Special Majority Vote of the Board" shall mean the approval of eight directors.

"Statement of Financial Accounting Standards" shall mean statements

 and pronouncements of the U.S. Financial Accounting Standards Board.

"Stockholder" shall mean any Stockholder which is a party to the

 Stockholders Agreement.

"Stockholders Agreement" shall mean the Stockholders Agreement, dated

 as of [], 1998, among the Company, TDF and the other stockholders of the Company named in Schedule I thereto.

"Strategic Alliance" shall mean any merger, consolidation, joint

 venture, cooperative agreement or arrangement or co-ownership with, or investment by or in any person. Strategic Alliance shall not, however, include any purchase, lease or disposition for cash to or from any such person of all but not part of certain of the assets (other than securities or other interests in any person) of such person. If such Strategic Alliance also constitutes a Business Combination, such Strategic Alliance shall be deemed to be only a Business Combination for all purposes of this Agreement.

"Subsidiary" or "Subsidiaries" when used with respect to any person

 shall mean (i) any other person, whether incorporated or unincorporated, which is either required to be consolidated with such person under U.S. generally accepted accounting principles or (ii) is an affiliate controlled by such person, directly or indirectly, through one or more intermediaries within the meaning of Rule 1.02(x) of Regulation S-X under the Exchange Act.

"TDF Change of Control" shall occur if (i) TeleDiffusion de France

 S.A. ("TDF Parent") does not own, directly or indirectly, at least 30% of TDF,

 and any other person owns, directly or indirectly, 30% or more of TDF or (ii) France Telecom does not own, directly or indirectly, at least 30% of TDF Parent, and any other person owns, directly or indirectly, 30% or more of TDF Parent and in each case, such other person conducts a core business in the Company's Permitted Business Line in a geographic area in which the Company conducts more than de-minimis business in its Permitted Business Line at the time of the occurrence of the circumstances described in the preceding clauses (i) or (ii).

"TDF Consolidated Group Interest" shall mean the percentage of Voting

 Power that is controlled directly or indirectly by the TDF Group or would be controlled directly or indirectly by the TDF Group on the exercise of the TDF Put Right (assuming the exercise of the TDF CTSH Warrants).

"TDF CCIC Warrants" shall mean the warrants issued to TDF upon the

 exercise of the TDF Put Right in exchange for, and on substantially the same terms (except with respect to the conversion ratio in respect thereof) as, the TDF CTSH Warrants.

"TDF CTSH Shares" shall mean the CTSH Shares beneficially owned by the

 TDF Group.

"TDF CTSH Warrants" shall mean the CTSH Warrants beneficially owned by

 TDF.

"TDF Designees" shall have the meaning set forth in the Stockholders Agreement.

"TDF Group" shall mean TDF and its Affiliates (other than the Company and its Subsidiaries).

"TDF Group Interest" shall mean the percentage of Voting Power that is controlled, directly or indirectly, by the TDF Group or would be controlled, directly or indirectly, by the TDF Group (assuming the exercise of the TDF CCIC Warrants).

"TDF Non-Voting Equity Interest" shall have the meaning set forth in Section 2.01(a).

"TDF Put Notice" shall have the meaning set forth in Section 6.01(a).

"TDF Put Right" shall have the meaning set forth in Section 6.01(a).

"TDF Put Shares" shall have the meaning set forth in Section 6.01(a).

"TDF Rollup" shall mean the earlier to occur of (i) the closing of the TDF Put Right pursuant to Section 6.01(b) and (ii) the closing of the Company Call Right pursuant to Section 6.02(b).

"Total Enterprise Value" of any person shall mean, as of any date of determination, the sum (without duplication) of (i) the Total Equity Market Capitalization of such person and (ii) the Indebtedness of such person.

"Total Equity Market Capitalization" of any person shall mean, as of any day of determination, the sum of (i) the product of (A) the aggregate number of outstanding shares of Equity Securities of such person on such day (which shall include any options or warrants on, or securities convertible or exchangeable into, shares of Equity Securities of such person) multiplied by (B) the average closing price of such common stock listed on the New York Stock Exchange, the American Stock Exchange or Nasdaq over the 20 consecutive Business Days immediately preceding such day, plus (ii) the liquidation value of any outstanding shares of preferred stock of such Person on such day, which preferred stock does not constitute Indebtedness for purposes hereof.

"Tower Cash Flow" shall mean, for any period, the Consolidated Cash Flow of the Company and its Subsidiaries

for such period that is directly attributable to site rental revenue or license fees paid to lease or sublease space on communication sites owned or leased by the Company, all determined on a consolidated basis and in accordance with U.S. generally accepted accounting principles. Tower Cash Flow shall not include revenue or expenses attributable to non-site rental services provided by the Company or any of its Subsidiaries to lessees of communication sites or revenues derived from the sale of assets.

"Transaction Documents" shall have the meaning set forth in the

Exchange Agreement.

"Unsolicited Offer" shall mean (i) a bona fide unsolicited written

offer by any person to acquire Voting Securities and/or Equity Securities (other than Customary Preferred Stock) of the Company (measured in the case of Voting Securities by Voting Power rather than number of shares), which, if consummated, or (ii) any acquisition by any person of any such Securities which, when consummated, results in such person beneficially owning, directly or indirectly, more than the Relevant Percentage of the Voting Securities and/or Equity Securities (other than Customary Preferred Stock) of the Company.

"Voting Power", when used with reference to any class or series of

securities of the Company, or any classes or series of securities of the Company entitled to vote together as a single class or series, shall mean the power of such class or series (or such classes or series) to vote for the election of directors. For purposes of determining the percentage of Voting Power of any class or series (or classes or series) beneficially owned by any person, any securities not outstanding which are subject to conversion rights, exchange rights, rights, warrants, options or similar securities held by such person shall be deemed to be outstanding for the purpose of computing the percentage of outstanding securities of the class or series (or classes or series) beneficially owned by such person, but shall not be deemed to be outstanding for the purpose of computing the percentage of the class or series (or classes or series) beneficially owned by any other person.

"Voting Securities", when used with reference to any person, shall

mean any securities of such person having Voting Power or any securities convertible into or exchange able for any securities having Voting Power.

SECTION 1.02. Securities Outstanding. In determining the number or

other amount outstanding of any securities of the Company or the percentage of Voting Power

of any class or series beneficially owned by such person, securities owned by the Company or any of its Subsidiaries shall be deemed to be not outstanding.

ARTICLE II

Anti-dilution

SECTION 2.01. Anti-dilutive Rights. (a) Except as provided in

Section 2.01(c) below, so long as TDF is Qualified, the Company shall not issue, sell or transfer any Equity Securities to any person (other than in connection with the IPO but only to the extent that the TDF Consolidated Group Interest is not thereby reduced to less than 20%) unless TDF is offered in writing the right to purchase, at the same price in cash for which such Equity Security is being offered to such other person(s) (provided that if such Equity Security is being

offered to such other person(s) for consideration other than cash or cash equivalents, the price in cash for which such Equity Security is being offered shall be deemed to be the Fair Market Value (as determined in good faith by the Board) of such consideration as of the date of issuance of such Equity Security), and on the same other terms proposed to be issued and sold (it being understood that TDF shall have the benefit of any underwriting or similar discount), an amount of such Equity Securities (the "Maintenance Securities") as

is necessary for the TDF Group to maintain the TDF Consolidated Group Interest, the TDF Group Interest and the TDF Non-Voting Equity Interest (as defined), as applicable, as would exist immediately prior to such issuance (the "Anti-

dilutive Rights"); provided that, with respect to the initial issuance by the

Company following the date of this Agreement of Equity Securities which are not Voting Securities, the TDF Non-Voting Equity Interest shall be deemed to be equal to the TDF Consolidated Group Interest or the TDF Group Interest, as applicable, and thereafter "TDF Non-Voting Equity Interest" shall mean the

percentage of non-voting Equity Securities owned, directly or indirectly, by the TDF Group. TDF shall have the right, during the period specified in Section 2.01(b), to accept the offer for any or all of the Maintenance Securities.

(b) If TDF does not deliver to the Company written notice of acceptance of any offer made pursuant to Section 2.01(a) within 20 Business Days after TDF's receipt of such offer, TDF shall be deemed to have waived its right to purchase all or any part of the Maintenance Securities as set forth in such offer but TDF shall retain its rights under this Article II with respect to future offers.

(c) The Anti-dilutive Rights set forth above shall not apply to (i) the grant or exercise of options to purchase Common Stock to employees, directors or consultants of the Company or any of its Subsidiaries prior to the date of the Exchange Agreement and listed on Schedule 6.32 to the Exchange Agreement or otherwise pursuant to a stock option or similar executive employee benefit plan in existence on the date hereof; (ii) the grant or exercise of options to purchase Common Stock or the issuance of shares of Common Stock as compensation in the ordinary course of business consistent with practice for public companies of a size and nature (e.g., high growth companies), as

determined by approval of a Special Majority Vote of the Board with a statement to such effect, as the Company to employees or directors of the Company or any of its Subsidiaries or otherwise pursuant to a stock option or similar executive or employee benefit plan adopted by the Board after the Closing in the ordinary course of business consistent with such practice; (iii) the grant or exercise of options to purchase or the issuance of Common Stock of the Company as compensation in the ordinary course of business consistent with past practice to consultants of the Company or any of its Subsidiaries representing not more than 1% of the aggregate amount of the Common Stock outstanding at the time of such grant or issuance; (iv) the issuance of shares of Common Stock issuable upon conversion of, or in respect of dividends on, the Senior Preferred Stock, or upon exercise of the Senior Preferred Warrants; (v) securities issued pursuant to any stock split, stock dividend, rights offering, recapitalization, reclassification or similar transaction, which securities are issued pro rata among, and pro rata within, all classes of stock which are subject to such stock split, stock dividend, rights offering, recapitalization, reclassification or similar transaction; (vi) securities issued upon conversion or exchange of any Equity Security in connection with which TDF had been granted Anti-dilutive Rights upon the issuance thereof in accordance with Section 2.01(a); and (vii) Voting Securities issued upon exercise of the Rights (as defined in the Exchange Agreement) pursuant to the Rights Plan (as defined in the Exchange Agreement); provided that the action referred to in clauses (ii), (iii) or (v) of this

Section 2.01(c), as the case may be, shall have been approved (to the extent required) in accordance with the provisions of this Agreement.

(d) A closing for the purchase of Maintenance Securities pursuant to Section 2.01(a) shall occur on the later of (i) the date on which such public or private issuance occurs and (ii) such date as may be agreed to by TDF and the Company, at a time and place specified by TDF in

a notice provided to the Company at least 10 days prior to such closing date. In connection with such closing, the Company and TDF shall provide such customary closing certificates and opinions as TDF or the Company, as appropriate, shall reasonably request.

ARTICLE III

Standstill

SECTION 3.01. Standstill. Subject to Section 3.04, no member of the

TDF Group shall, without the prior written consent of the Board (not to be unreasonably withheld or delayed):

(a) except as permitted under the Transaction Documents, acquire, offer to acquire, or agree to acquire, by purchase, gift or otherwise, the beneficial ownership of any Voting Securities of the Company if the TDF Group Interest upon the consummation thereof would be greater than the Relevant Percentage, except pursuant to a stock split, stock dividend, rights offering, recapitalization, reclassification or similar transaction;

(b) except as contemplated by the Transaction Documents, publicly propose that TDF or any member of the TDF Group enter into, directly or indirectly, any Business Combination involving the Company or propose to purchase, directly or indirectly, a material portion of the assets of the Company or any Subsidiary of the Company, or make any such proposal privately (other than any such proposal with respect to CTSB and its assets) if it would reasonably be expected to require the Company to make a public announcement regarding such proposal;

(c) make, or in any way participate in, directly or indirectly, any "solicitation" of "proxies" (as such terms used in Regulation 14A promulgated under the Exchange Act) to vote or consent with respect to any Voting Securities of the Company in opposition to the recommendation of a Special Majority Vote of the Board or become a "participant" in any "election contest" (as such terms are defined or used in Rule 14a-11 under the Exchange Act) in opposition to the recommendation of a Special Majority Vote of the Board;

(d) act in concert with any person for the purposes prohibited by subparagraph (a) or (b) above;

(e) except in accordance with the terms of the Stockholders Agreement, seek election to or seek to place a representative on the Board or seek the removal of any member of the Board;

(f) (i) solicit, seek to effect, negotiate with or provide nonpublic information to any other person with respect to or (ii) otherwise make any public announcement or proposal whatsoever with respect to, any form of business combination (with any person) involving a change of control of the Company or the acquisition of a substantial portion of the Voting Securities and/or Equity Securities or assets of the Company or any Subsidiary of the Company (except, in the case of CTSH and its Subsidiaries, as permitted under Section 5.01 or the CTSH Shareholders Agreement), including a merger, consolidation, tender offer, exchange offer or liquidation of the Company assets, or any restructuring, recapitalization or similar transaction with respect to the Company or any Subsidiary of the Company; or

(g) publicly disclose any intention, plan or arrangement, or provide advice or assistance to any person, inconsistent with the foregoing.

If TDF or any member of the TDF Group owns or acquires any Voting Securities in violation of this Agreement, such Voting Securities shall immediately be disposed of to persons who are not members of the TDF Group in compliance with the provisions of this Agreement (but, for the avoidance of doubt, if at any time the TDF Consolidated Group Interest or the TDF Group Interest, as applicable, is increased to more than the Relevant Percentage as a result of a repurchase of Voting Securities by the Company or any other change in the Company's capitalization no Voting Securities shall be required to be disposed of by any member of the TDF Group); provided that the Company may also

pursue any other available remedy to which it may be entitled as a result of such violation.

SECTION 3.02. Transfer Restrictions. Subject to Section 3.04, TDF

shall not, without the prior written consent of the Company, sell, or otherwise dispose of, or agree to dispose of, any Voting Securities of the Company, or any rights or options to acquire such Voting Securities, except pursuant to a transaction contemplated by the Transaction Documents or otherwise in a transaction, subject

to Section 3.05, complying with any of the following clauses:

(a) an underwritten public offering of shares of such Voting Securities in a manner intended to effect a broad distribution;

(b) to any person (other than an underwriter which intends to effect a broad distribution of such Securities) in a transaction that complies with the volume and manner of sale provisions contained in Rules 144(e) and Rule 144(f) as in effect on the date hereof under the Securities Act (whether or not Rule 144 is in effect on the date of such transaction);

(c) subject to Section 7.08, to any Affiliate of TDF; provided,

however, that such transferee becomes a party to this Agreement;

(d) to any person in a transaction which complies with the Securities Act that TDF knows or, after commercially reasonable inquiry believes, after giving effect to such sale, will beneficially own not more than the greater of (x) 15% of the aggregate Voting Power of the Voting Securities of the Company and (y) the percentage of Common Stock of the Company which would result in any person (other than any member of the TDF Group or the Berkshire Group (as defined in the Stockholders Agreement)), upon the acquisition of the beneficial ownership of such percentage, constituting an "Acquiring Person" under the Rights Plan (as defined in the Stockholders Agreement), or any successor plan to such Rights Plan;

(e) in a bona fide pledge of shares of Voting Securities of the Company to a financial institution to secure borrowings as permitted by applicable laws, rules and regulations; or

(f) upon five Business Days' prior notice to the Company, pursuant to the terms of any tender or exchange offer for Voting Securities of the Company made pursuant to the applicable provisions of the Exchange Act or pursuant to any business combination (provided that such tender or exchange

offer is not materially related to any past noncompliance of Sections 3.01 and 3.03(a) by TDF).

SECTION 3.03. Voting. (a) Whenever (i) TDF shall have the right to

vote any Voting Securities of the Company and (ii) any person shall have initiated, proposed

or otherwise solicited stockholders of the Company in a "proxy-contest" or with respect to any proposal for the election of any member to the Board, which in either case, the Board has recommended by a Special Majority Vote receives a negative vote, TDF shall (a) be present, in person or represented by proxy, at any stockholder meeting of the Company relating to such contest or proposal for the purpose of determining the presence of a quorum at such meeting or for such consent, and (B) vote or consent with respect to all Voting Securities of the Company beneficially owned by it in the manner recommended by a Special Majority Vote of the Board or, if so requested by a Special Majority Vote of the Board, vote or cause to be voted all Voting Securities of the Company beneficially owned by it in the same proportion as the votes cast by or on behalf of the other holders of Voting Securities of the Company.

(b) Subject only to Section 3.03(a), TDF shall have the right at any time to vote any Voting Securities of the Company in its sole discretion.

SECTION 3.04. Time Limit. (a) Prior to any cessation of the

provisions of Sections 3.01, 3.02 and 3.03(a) pursuant to Section 3.04(b), the provisions of Section 3.01 and Section 3.03 shall be suspended during any period from the date of the commencement by any person (other than TDF or any member of the TDF Group) of an Unsolicited Offer or a Special Business Combination to the date of closing, abandonment or termination of all such Offers (including any such Offer commenced by TDF or any member of the TDF Group following any suspension of Sections 3.01 and 3.03 pursuant to this Section 3.04(a)) and shall thereafter, subject to such Section 3.04(b), be reinstated as in effect prior to the commencement of any such Unsolicited Offer or Special Business Combination, as applicable.

(b) The provisions of Sections 3.01, 3.02 and 3.03(a) shall cease to apply after the fifth anniversary of the Closing or the earlier of:

(i) any person (other than any person who is a member of the Berkshire Group who holds, in person or as a group, less than the amount permitted to be held by the Berkshire Group without such person constituting an "Acquiring Person" under the Rights Plan), beneficially owns or controls 15% or more of the Voting Securities and/or 15% or more of the outstanding Equity Securities (other than Customary Preferred Stock) of the Company without a standstill agreement (which includes customary standstill provisions, voting

restrictions and transfer restrictions, on no more favorable terms than those to which TDF is subject under this Agreement and with governance rights and, taken as a whole, other rights which are no more favorable than those granted to TDF in this Agreement and the Stockholders Agreement) being entered into between the Company and such person;

(ii) a business combination or other change in control of the Company has occurred or has been agreed to or acquiesced in by the Board or any Unsolicited Offer or Special Business Combination has been consummated;

(iii) TDF shall no longer be Qualified;

(iv) no Voting Security of the Company is publicly traded; or

(v) the Company has redeemed the Rights (as defined in the Stockholders Agreement) under the Rights Agreement (as defined in the Stockholders Agreement).

SECTION 3.05. Right of First Refusal. (a) If TDF or any member of

the TDF Group desires to transfer to any person 5% or more of the Voting Securities of the Company pursuant to Section 3.02(d) (other than a transfer to an underwriter which intends to effect a broad distribution of such Voting Securities), TDF, or such member of the TDF Group, as applicable, shall give prompt written notice (the "Transfer Notice") to the Company of such intention,

specifying the number of Voting Securities proposed to be transferred (the "Offered Securities") and the price at which they are to be transferred (the "Offer Price"). The Transfer Notice shall constitute an irrevocable offer (the

"Offer") by TDF to sell to the Company the Offered Securities at the Offer

Price. The Company shall have the right, exercisable by written notice given by the Company to TDF within twenty Business Days after receipt of such Transfer Notice, to purchase (or to cause a person or group designated by the Company to purchase) all, or any part in excess of 5% of the Voting Securities of the Company, of such Offered Securities specified in such Transfer Notice for cash at the Offer Price by delivery of a notice (the "Exercise Notice") to TDF

stating the Company's irrevocable acceptance of the Offer.

(b) If the Company elects to purchase the Offered Securities, the closing of the purchase of the Offered Securities shall take place on a mutually acceptable closing date which shall be not more than 30 days after delivery of

the Exercise Notice. The closing shall be held at 10:00 a.m., time, at the principal office of the Company or at such other time or place as the parties mutually agree.

(c) On the closing date, TDF shall deliver (or cause to be delivered) (i) certificates representing the Offered Securities to be purchased by the Company, free and clear of any lien, claim or encumbrance, and (ii) such other documents, including evidence of ownership and authority, as the Company may reasonably request. The Offer Price shall be paid by wire transfer of immediately available funds no later than 2:00 p.m., local time, on such closing date and the Company shall on such closing date issue to TDF (or to its order) certificates for any balance of the Offered Securities which are not purchased by the Company.

ARTICLE IV

Governance

SECTION 4.01. Approval Required for Certain Actions. (a) Without

prejudice to TDF's rights under clauses three and six of the CTSB Shareholders Agreement, in the case of a Simple Majority Event, the Company or any Subsidiary of the Company may take any action set forth in clauses (i) through (ix) below without the approval of a Special Majority Vote of the Board. In the absence of a Simple Majority Event, without prejudice to TDF's rights under clauses three and six of the CTSB Shareholders Agreement, so long as TDF is Qualified, no action by the Company or any Subsidiary of the Company (including but not limited to any action by their respective boards of directors or any committee thereof) shall be taken with respect to any of the following matters without the approval of the Board, which approval shall be by a Special Majority Vote of the Board:

(i) the amendment of the Charter or By-laws;

(ii) any acquisition of any assets, business, operations or securities (other than with respect to any redemption of the Senior Preferred Stock in accordance with its terms) by the Company or any Subsidiary thereof by merger, joint venture or otherwise (whether in one transaction or a series of related transactions, including without limitation any enforceable right of any other person to require the deferred acquisition thereof) other than any such acquisition by the Company or any of its Subsidiaries if the Company's and/or any such Subsidiary's pro rata

Total Enterprise Value in respect of such acquisition, prior to giving effect thereto, is less than or equal to the greater of \$20 million and 2% of the Total Enterprise Value of the Company and its Subsidiaries taken as a whole (it being understood that at the time of any subsequent optional purchase relating to such acquisition, the value of the Company's and/or any such Subsidiary's pro rata Total Enterprise Value shall be the pro forma value of the entire interest);

(iii) any disposition (other than with respect to Asset Swaps) of any assets, business, operations or securities by the Company or any Subsidiary thereof (whether in one transaction or a series of related transactions, including without limitation any enforceable right any other person to require the deferred disposition thereof) other than a disposition by the Company or any of its Subsidiaries where the Company's and/or any such Subsidiary's pro rata Total Enterprise Value in the consideration received in respect of such disposition, prior to giving effect thereto, (including the assumption of any Indebtedness of the Company in connection therewith) is less than or equal to whichever is the greater of \$20 million and 2% of the Total Enterprise Value of the Company and its Subsidiaries taken as a whole;

(iv) any Strategic Alliance which is material to the Company and its Subsidiaries, taken as a whole;

(v) any incurrence, assumption or issuance by the Company or any of its Subsidiaries of Indebtedness other than (A) Indebtedness existing on the date hereof and any Permitted Indebtedness (including in each case any refinancings which do not increase the principal amount thereof), (B) any other Indebtedness if the Company's Debt to Adjusted Consolidated Cash Flow Ratio at the time of incurrence of such Indebtedness, after giving pro forma effect to such incurrence or issuance as of such date and to the use of proceeds therefrom as if the same had occurred at the beginning of the most recently ended four full fiscal quarterly periods of the Company for which internal financial statements are available, would have been no greater than 5.5 to 1 and (C) any refinancing of any Indebtedness the incurrence of which was approved by the Board in accordance with this Section 4.01(a), which refinancing does not increase the principal amount of such Indebtedness;

(vi) any transaction between (A) the Company or any of its Subsidiaries, on the one hand, and (B) any Stockholder or Affiliate of the Company (other than any

Subsidiary of the Company and other than TDF and its Affiliates), on the other hand (other than as contemplated by the Transaction Documents);

(vii) the issuance of any Equity Security of the Company or any Subsidiaries of the Company (other than (i) the grant or exercise of options to purchase Common Stock to employees, directors or consultants of the Company or any of its Subsidiaries prior to the date of the Exchange Agreement and listed on Schedule 6.32 to the Exchange Agreement or otherwise pursuant to a stock option or similar executive employee benefit plan in existence on the date hereof; (ii) the grant or exercise of options to purchase Common Stock or the issuance of shares of Common Stock as compensation in the ordinary course of business consistent with practice for public companies of a similar size and nature (e.g., high growth

companies), as determined by approval of a Special Majority Vote of the Board with a statement to such effect, as the Company to employees or directors of the Company or any of its Subsidiaries or otherwise pursuant to a stock option or similar executive or employee benefit plan adopted by the Board after the Closing in the ordinary course of business consistent with such practice; (iii) the grant or exercise of options to purchase or issuance of Common Stock of the Company as compensation in the ordinary course of business consistent with past practice to consultants of the Company or any of its Subsidiaries representing not more than 1% of the aggregate amount of the Common Stock outstanding at the time of such grant or issuance; (iv) the issuance of shares of Common Stock issuable upon conversion of, or in respect of dividends on, the Senior Preferred Stock, or upon exercise of the Senior Preferred Warrants; (v) securities issued pursuant to any stock split, stock dividend, rights offering, recapitalization, reclassification or similar transaction, which securities are issued pro rata among and pro rata within all classes of stock which are subject to such stock split, stock dividend, rights offering, recapitalization, reclassification or similar transaction; (vi) securities issued upon conversion or exchange of any Equity Security in connection with which TDF had been granted Anti-dilutive Rights upon the issuance thereof in accordance with Section 2.01(a); (vii) Voting Securities issued upon exercise of the Rights (as defined in the Stockholders Agreement) pursuant to the Rights Plan (as defined in the Stockholders Agreement); (viii) the issuance of shares of Common Stock issuable upon conversion of, or

in respect of dividends on, the Senior Preferred Stock, the exercise of the Senior Preferred Warrants, or upon the conversion or exercise of Equity Securities the issuance of which was approved in accordance with this Section 4.01(a)(vii); provided that the actions referred to in clauses

(ii), (iii) or (v) of this Section 4.01(a)(vii), as the case may be, shall have been approved (to the extent required) in accordance with the provisions of this Agreement).

(viii) any Business Combination entered into by the Company;

(ix) the dissolution of the Company, the adoption of a plan of liquidation of the Company or any action by the Company to commence any suit, case, proceeding or other action (i) under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization or relief of debtors seeking to have an order for relief entered with respect to the Company, or seeking to adjudicate the Company bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding up, liquidation, dissolution, composition or other relief with respect to the Company or (ii) seeking appointment of a receiver, trustee, custodian or other similar official for the Company, or making a general assignment for the benefit of the creditors of the Company; or

(x) any amendment to the Rights Plan (as defined in the Stockholders Agreement) other than any such amendment (A) for the purpose of permitting any transaction (and only to the extent necessary to permit such transaction) which is permitted under the terms of this Agreement or (B) required by applicable law or any ruling or order of any court or governmental body.

(b) Without prejudice to TDF's rights under clauses three and six of the CTSH Shareholders' Agreement, following the fifth anniversary of the Closing, the Company or any of its Subsidiaries may take any of the actions set forth in clauses (ii), (iii), (iv) and (v) below without the prior written consent of TDF, and following the tenth anniversary of the Closing, the Company or any of its Subsidiaries may take the action set forth in clauses (i), (vi) and (vii) below without the prior written consent of TDF. Prior to such fifth or tenth anniversary, as applicable, so long as TDF is Qualified, no action by the Company or any Subsidiary (including but not limited to any action by their respective boards of directors or any committee thereof), other than, in the case of clauses (iii)

and (iv) below, any Conflicted Action, shall be taken with respect to any of the following matters (each such matter, a "Significant Action") without the

 approval by a majority of the entire Board and the prior written consent of TDF (any written notice refusing to provide such consent being hereinafter referred to as a "Veto"):

(i) (A) the creation or issuance of any new class of security of the Company or any class of security of a Subsidiary of the Company (other than where all such Subsidiary's securities are issued to the Company), or any right to acquire such security, (B) the issuance of any Class A Stock to any person other than TDF or any member of the TDF Group or (C) any amendment to the Charter or By-laws (other than any amendment required by applicable law or any ruling or order of any court or governmental body) (including without limitation any such amendment to increase the number of directors constituting the entire Board), with, in the case of clauses (A) or (B), the intent or effect of materially adversely affecting the legal rights of TDF under this Agreement or the Stockholders Agreement;

(ii) the acquisition in one or a series of related transactions, including without limitation any enforceable right of any other person to require any deferred acquisition (whether by merger, consolidation, joint venture, the purchase of stock or assets or otherwise) of a business, operations, securities or assets not in a Permitted Business Line, which acquisition by the Company or any of its Subsidiaries if the Company's and/or any such Subsidiary's pro rata Total Enterprise Value in respect of such acquisition, immediately prior to giving effect thereto, would constitute more than 10% of the Total Enterprise Value of the Company and its Subsidiaries taken as a whole (it being understood that at the time of any subsequent optional purchase relating to such acquisition the value of the Company's and/or any such Subsidiary's pro rata Total Enterprise Value shall be the pro forma value of the entire interest);

(iii) the acquisition in one or a series of related transactions, including without limitation any enforceable right of any other person to require any deferred acquisition (whether by merger, consolidation, joint venture, the purchase of stock or assets or otherwise) of a business, operations, securities or assets which is (or are) in a Permitted Business Line (other than any part thereof which is not material in

relation to the whole of such business, operations, securities or assets), which acquisition, by the Company or any of its Subsidiaries if the value of the Company's and/or any such Subsidiary's pro rata Total Enterprise Value in respect of such acquisition, immediately prior to giving effect thereto, would constitute, (A) prior to December 31, 1999, the greater of \$750 million and more than 25% of the Total Enterprise Value of the Company and its Subsidiaries taken as a whole and (B) following December 31, 1999, more than 25% of the Total Enterprise Value of the Company and its Subsidiaries taken as a whole (it being understood that at the time of any subsequent optional purchase relating to such acquisition the value of the Company's and/or any such Subsidiary's pro rata Total Enterprise Value shall be the pro forma value of the entire interest);

(iv) any Strategic Alliance with any Restricted Party;

(v) the disposition (other than with respect to Asset Swaps) in one or a series of related transactions, including without limitation any enforceable right of any other person to require any deferred disposition (whether by merger, consolidation, the sale or distribution of stock or assets or otherwise) of a business or assets, if the value of the Company's and/or any such Subsidiary's pro rata Total Enterprise Value in the consideration received in respect of such disposition, immediately prior to giving effect thereto, (including the assumption of any Indebtedness of the Company in connection therewith) exceeds 10% of the Total Enterprise Value of the Company and its Subsidiaries taken as a whole; provided, however,

 that there shall be excluded from the foregoing any disposition by the Company or any of its Subsidiaries of any specific interest of the Company and/or any of its Subsidiaries in any acquisition permitted under the terms of this Agreement, which interest the Board, as evidenced by resolution duly adopted by the Board prior to such acquisition, firmly intended to dispose of following such acquisition, and which is disposed of by the Company or any Subsidiary of the Company within twelve months of such acquisition;

(vi) any Business Combination, except as permitted pursuant to Section 5.01(a);

(vii) the issuance by the Company to any person in one or more transactions of Equity Securities or the right to purchase Equity Securities (other than with respect to the Rights (as defined in the Stockholders Agreement) issued under the Rights Plan (as defined in the Stockholders Agreement)) representing the Relevant Percentage or more of the aggregate amount of the outstanding Equity Securities of the Company (it being understood that any such issuance the consummation of which would result in a Business Combination shall be treated solely under the foregoing clause (vi)).

(c) Prior to proposing to take any action set forth in Sections 4.01(a) or 4.01(b) at any meeting of the Board, the Secretary of the Company shall cause (i) to be included in the Board Agenda a statement that such proposed action is an action set forth in such Section 4.01(a) or 4.01(b), as applicable, the vote required by the Board to approve such action in accordance with this Agreement and the party or parties proposing such action, which party or parties shall provide the Secretary of the Company with all relevant information relating to such action to accompany such Board Agenda and the Secretary of the Company shall cause such Board Agenda to be supplied to each director at least five Business Days prior to such Board meeting and (ii) shall cause a copy of such Board Agenda to be supplied to TDF in accordance with Section 7.07 at least five Business Days prior to such Board Meeting, and TDF shall deliver to the Company Secretary notice of its intent to consent to or Veto such Significant Action prior to such Board Meeting (provided that the

 failure to deliver such notice shall not impair TDF's right to Veto such Significant Action under Section 4.01(b)). Following the approval of such Significant Action by the Board, the Company Secretary shall promptly deliver to TDF notice of such approval in accordance with Section 7.07 and TDF shall have three Business Days following delivery of such notice to deliver to the Company Secretary its consent to, or Veto of, such Significant Action; provided,

 however, that if TDF shall Veto any proposed Business Combination which has been

 approved by the Board, the Company may override such Veto pursuant to Section 5.01. If TDF shall fail to deliver to the Company Secretary notice of its consent to, or Veto of, such Significant Action prior to 5:00 p.m. U.S. Central time on the third Business Day following the date of delivery by the Company Secretary to TDF of notice of the Board's approval of such Significant Action in accordance with the preceding sentence, TDF shall be deemed to have consented to such Significant Action and the Company may thereafter consummate such Significant Action.

SECTION 4.02. Negative Covenants. (a) Notwithstanding any other

 provision of the Transaction Documents, neither the Company, any of its
 Subsidiaries, TDF nor any member of the TDF Group shall take or approve any
 action which would result in the BBC having the right to terminate a BBC
 Contract in accordance with the terms of such BBC Contract.

(b) TDF agrees that neither TDF nor any member of the TDF Group shall
 enter into any transaction falling within a Permitted Business Line which TDF
 Vetoes in accordance with Section 4.01(b)(iii) and Section 4.01(b)(iv) within
 six months after the relevant Veto.

SECTION 4.03. Successors to the Company. The Company shall procure

 that TDF shall be granted by any Newco equivalent rights to the rights contained
 in this Agreement as a condition to any transaction involving the creation of
 any such Newco.

ARTICLE V

CTSH Option

SECTION 5.01. CTSH Option. (a) Notwithstanding any other provision

 of this Agreement, TDF shall have the right to the CTSH Option (as defined) if,
 and only if, TDF is Qualified and (i)(A) the Board has approved a Business
 Combination by a Special Majority Vote, (B) TDF thereafter gives a Veto in
 respect of such Business Combination in accordance with Section 4.01(b) and
 4.01(c) and (C) subsequent to the exercise of the Veto by TDF, a majority of the
 entire Board (excluding the two TDF Designees) resolves that such Veto by TDF
 shall be overridden in accordance with this Section 5.01; (ii) the commencement
 or occurrence of an Unsolicited Offer by any person (other than any member of
 the TDF Group); or (iii) a Special Business Combination shall have been
 commenced by any person (other than any member of the TDF Group), TDF shall have
 the option, exercisable, subject to subparagraph (d) below, irrevocably by
 notice in writing given to the Company within five days following agreement
 between the parties as to, or (as the case may be), receipt of notice of the
 determination of the Fair Market Value per share of the CTSH Shares and the CTSH
 Warrants (assuming the payment of the exercise price of such Warrants) (the
 "CTSH Per Share Value") as set forth below, to (x) acquire for cash by itself or

 together with any other person, all, but not less than all, the Company CTSH
 Shares at such CTSH Per Share Value, (y) sell for cash to the Company the TDF
 CTSH Shares

and the TDF CTSH Warrants at such CTSH Per Share Value or (z) maintain the TDF CTSH Shares and the TDF CTSH Warrants without regard to the event giving rise to the CTSH Option (the "CTSH Option").

 (b) The valuation procedures shall be as follows. Each of the Company and TDF shall, commencing upon the date of the occurrence of any of the events set forth in Section 5.01(a)(i)(C), Section 5.01(a)(ii) or Section 5.01(a)(iii), negotiate in good faith to determine a CTSH Per Share Value of the CTSH Shares within thirty days following the occurrence of any such event. If the parties do not agree on a CTSH Per Share Value within such thirty-day period, they shall, within three days, appoint an independent investment banker of international stature with its principal office in New York City (the "Appraiser") and shall provide such Appraiser with their respective written

 determinations of the CTSH Per Share Value. Such Appraiser shall then choose (taking into account all relevant factors, but no discount shall be applied as a result of the termination or potential termination of the BBC Contracts), as between the written determinations of the CTSH Per Share Value provided by each party to the Appraiser, the CTSH Per Share Value which most closely approximates, in the expert opinion of the Appraiser, the Fair Market Value per share of the CTSH Shares and the CTSH Warrants. If the parties are unable to agree on the selection of such Appraiser within such three-day period, they shall on such third day so notify the Chairman of the New York Stock Exchange, Inc., who shall, within five days of such notification, (or if unwilling or unable to serve in such capacity, the senior partner of one of the following accounting firms, in order of priority for selection, KPMG Peat Marwick LLP, Price Waterhouse LLP, Ernst & Young LLP and Arthur Anderson LLP) appoint an investment banker meeting the qualifications set forth above to serve as the Appraiser. In any case, the Appraiser shall make its decision with respect to the CTSH Per Share Value within ten days of the date of its engagement and must choose a Value presented by either of the parties pursuant to their respective written determinations (i.e., such Appraiser may not select a different value).

 The fees and expenses of the Appraiser shall be paid by the Company.

(c) If a Business Combination, Unsolicited Offer or Special Business Combination is abandoned or terminated, the CTSH Option and any exercise thereof by TDF pursuant to Section 5.01(a)(x) or (y) shall become null and void and ownership in CTSH shall continue as if such CTSH Option had not come into effect, unless the Company exercises its right

to cause TDF to purchase the Company CTSH Shares pursuant to subparagraph (d) below.

(d) Any closing of a sale and purchase of CTSH Shares pursuant to the CTSH Option shall take place on the date of consummation of the Business Combination and, subject as provided in the next following sentence, the Unsolicited Offer or Special Business Combination which gave rise thereto, subject to the satisfaction or waiver of the Conditions Precedent; provided that

 any such Business Combination may not be consummated by the Company other than substantially simultaneously with (but not before) the consummation of the sale and purchase of the CTSH Shares pursuant to such CTSH Option; provided further

 that each of the Company and TDF shall continue to use its reasonable best efforts to obtain the satisfaction or waiver of such Conditions Precedent so long as such Business Combination, Unsolicited Offer or Special Business Combination is outstanding. In the case of an Unsolicited Offer or a Special Business Combination, if TDF has elected to exercise the CTSH Option pursuant to Section 5.01(a)(x) and the Conditions Precedent to such CTSH Option are not waived or satisfied on or before the third Business Day prior to the date of consummation of the Unsolicited Offer or the Special Business Combination which gave rise to such CTSH Option, TDF shall have the option by written notice (a "Withdrawal Notice") to the Company to be given no later than the date of

 consummation of such Unsolicited Offer or Special Business Combination, as applicable, to declare the exercise of the CTSH Option pursuant to Section 5.01(a)(x) to be null and void and to exercise the CTSH Option pursuant to either Section 5.01(a)(y) or Section 5.01(a)(z) in lieu thereof. If TDF fails to give a Withdrawal Notice prior to the date of consummation of the Unsolicited Offer or the Special Business Combination, TDF shall be deemed to have affirmed the exercise of the CTSH Option pursuant to Section 5.01(a)(x).

If such Business Combination is not consummated (or an Unsolicited Offer or Special Business Combination is abandoned or terminated) by reason primarily of the exercise by TDF of the CTSH Option pursuant to Section 5.01(a)(x), then the Company may nevertheless require TDF to proceed with the purchase (the "Required Purchase") of the Company CTSH Shares at the CTSH Per

 Share Value, subject to the satisfaction or waiver of the Conditions Precedent and the non-occurrence prior to the closing of the Required Purchase of (i) any event or development of a state of circumstances or facts which has had or is reasonably likely to have, individually or in the aggregate, a Material Adverse Effect on CTSH and its Subsidiaries taken as a whole or (ii)(A) a

suspension of trading in the Company's Common Stock by the Commission or Nasdaq or the establishment of limited or minimum prices in trading of securities generally on the New York Stock Exchange, Inc., or Nasdaq or (B) banking moratoriums having been declared either by Federal or New York State authorities. Such Required Purchase by TDF of the Company CTSH Shares shall, subject to the satisfaction or waiver of the Conditions Precedent and the nonoccurrence of any such event as aforesaid, close thirty days after announcement of the abandonment or termination of such Business Combination, Unsolicited Offer, or Special Business Combination, as applicable (or, if later, the second Business Day following the date of the satisfaction or waiver of the Conditions Precedent). If TDF shall exercise the CTSH Option pursuant to Section 5.01(a)(x), TDF may pay all or any part of the purchase price therefor by surrendering to the Company on the closing of such exercise shares of Class A Stock (which shall be valued at the offer price per share of Common Stock pursuant to the Business Combination, Unsolicited Offer, or Special Business Combination, as applicable, giving rise to the CTSH Option).

(e) If the price offered in any proposed Business Combination, Unsolicited Offer or Special Business Combination is increased or decreased by the offeror by more than 10% after the commencement or determination of the CTSH Per Share Value pursuant to subparagraph (b), the Company shall promptly notify the Appraiser of such increase or decrease and the Appraiser shall take into account such increase or decrease (and any other relevant factor in connection therewith), except that if the Appraiser has previously completed the appraisal procedure set forth in such subparagraph (b) and selected the CTSH Per Share Value, (i) such appraisal procedure shall recommence and the choice of the CTSH Per Share Value by the Appraiser shall be made within five days of the notice to the Appraiser by the Company of such increase or decrease and (ii) any exercise by TDF of the CTSH Option by written notice to the Company pursuant to Section 5.01(b) shall be null and void, and TDF may thereafter exercise the CTSH Option by subsequent written notice to the Company in accordance with such Section 5.01(b).

(f) Immediately prior to the consummation of any Business Combination, Unsolicited Offer or Special Business Combination, TDF shall have the right to require the Company to purchase one-half (1/2) of the shares of Class A Stock held by the TDF Group, as applicable, for cash in an amount equal to the product of (x) the offer price per share of Common Stock pursuant to the Business Combination, Unsolicited Offer or Special Business Combination, as

applicable, and (y) one-half (1/2) of the number of such shares of Class A Stock held by the TDF Group.

ARTICLE VI

Put and Call Rights

SECTION 6.01. TDF Put Right. (a) The Company agrees that from the

date of this Agreement and continuing until the second anniversary of the Closing, TDF shall have the right in its sole discretion (the "TDF Put Right"),

upon the delivery of a notice (the "TDF Put Notice") by TDF to the Company, to

require the Company, subject to the satisfaction of the Conditions Precedent (A), subject to proviso (B) to clause (b) below, to purchase all, but not less than all (except for one CTSH Ordinary Share), of the TDF CTSH Shares beneficially owned by the TDF Group in exchange for that number of shares of Class A Stock which is equal to the product of (x) the Exchange Ratio and (y) the number of all (but one CTSH Ordinary Share) of such TDF CTSH Shares (the "TDF Put Shares") and (B) to issue in exchange for the TDF CTSH Warrants (i) TDF

CCIC Warrants for a number of shares of Class A Stock which is equal to the product of (x) the Exchange Ratio and (y) the number of TDF CTSH Shares represented by the TDF CTSH Warrants and (ii) 100,000 shares of Class A Stock (as adjusted from time to time after the date hereof in accordance with the provisions contained in Section 1.02 of the Exchange Agreement).

(b) The closing of the TDF Put Right shall, subject to the satisfaction of the Conditions Precedent, take place on the tenth Business Day after the date on which the Company shall have received the TDF Put Notice (or such date which is the second Business Day after the date on which such conditions shall have been satisfied, not in any case to be later than the fortieth Business Day following such date on which the Company received the TDF Put Notice, at which time the TDF Put Right shall, subject to the following provisos (A) and (B), terminate and be of no further force or effect), at a time and place specified by TDF in such notice or such other date, time and place as may be agreed to by TDF and the Company; provided that, notwithstanding any

other provision of this Agreement, if (A) (i) any statute, rule, regulation, executive order, decree, ruling or injunction shall have been enacted, entered or enforced by any court or governmental body or authority which prohibits consummation of the TDF Put Right substantially on the terms contemplated hereby, each of the Company and TDF shall use its reasonable best efforts to remove any such order, decree or injunction and TDF shall be

deemed to be Qualified for purposes of this Agreement for the lesser of (x) the first anniversary of the date of the TDF Put Notice and (y) the closing of the TDF Put Right following such removal or (ii) (A) the BBC shall not have approved the exercise of the TDF Put Right or shall have approved the TDF Put Right subject to conditions which are reasonably deemed by the Company or TDF to be onerous, each of the Company and TDF shall use its reasonable best efforts to obtain such BBC approval and TDF shall be deemed to be Qualified for purposes of this Agreement for so long as (x) TDF continues to exercise its reasonable best efforts to obtain such removal or approval and (y) the TDF Consolidated Group Interest is not less than 10.5% or (B) if the BBC does not approve the exercise of the TDF Put Right in whole or approves the TDF Put Right in whole subject to conditions which are reasonably deemed by the Company or TDF to be onerous, TDF shall be entitled to exercise the TDF Put Right in respect of so many of the TDF CTSH Shares and TDF CTSH Warrants as do not require the consent of the BBC and TDF shall be deemed to be Qualified for the purposes of this Agreement for so long as (x) TDF continues to exercise its reasonable best efforts to obtain such removal or approval and (y) the TDF Consolidated Group Interest is not less than 10.5%. The TDF Put Right shall expire and be of no further force or effect at such time as TDF is no longer deemed to be Qualified under the preceding clause (i) and/or clause (ii), as applicable. On the closing date of the TDF Put Right, the Company shall deliver to TDF, against delivery of (i) duly executed transfers in respect of (all but one of) the TDF CTSH Shares and the share certificate(s) in respect thereof (which shares TDF undertakes to sell free and clear of all liens, claims, charges or other encumbrances ("Liens")) and a duly

 executed deed of termination in respect of the TDF CTSH Warrants and (ii) such other documents, including evidence of ownership and authority, as the Company may reasonably request, the TDF Put Shares, the TDF CCIC Warrants and 100,000 shares of Class A Stock (adjusted as aforesaid). In connection with such closing, the Company and TDF shall also provide such other customary closing certificates and opinions as TDF or the Company, as appropriate, may reasonably request.

SECTION 6.02. Company Call Right. (a) TDF agrees that on the second

 anniversary of the Closing (or, if an Unsolicited Offer or Special Business Combination is outstanding on such date, such date as is five days following the termination or abandonment of such Unsolicited Offer or Special Business Combination) unless (i) the TDF Rollup shall have previously been consummated, (ii) the Common Stock Call Price shall be less than or equal to \$60 (as adjusted for any stock split, stock dividend, rights

offering, recapitalization, reclassification or other similar transaction), or (iii) a Business Combination been consummated, or an Unsolicited Offer or a Special Business Combination is outstanding or has been consummated and TDF has exercised the CTSH Option pursuant to Section 5.01(a)(x) above, the Company shall have the right in its sole discretion (the "Company Call Right"), upon the

 delivery of a notice (the "Company Call Notice") by the Company to TDF on such

 date, to require, subject to the satisfaction of the Conditions Precedent, subject to proviso (B) to clause (b) below, TDF to transfer and deliver to the Company all, but not less than all (except for one CTSH Ordinary Share), of the TDF CTSH Shares and the TDF CTSH Warrants beneficially owned by the TDF Group in exchange for the TDF Put Shares, the TDF CCIC Warrants and 100,000 shares of Class A Stock (as adjusted from time to time after the date hereof in accordance with the provisions contained in Section 1.02 of the Exchange Agreement).

(b) The closing of the Company Call Right shall, subject to the satisfaction of the Conditions Precedent, take place on the tenth Business Day after the date on which TDF received the Company Call Notice (or such date which is the second Business Day after the date on which such conditions shall have been satisfied, not in any case to be later than the fortieth Business Day following such date on which TDF received the Company Call Notice, at which time the Company Call Right shall, subject to the following provisos (A) and (B), terminate and be of no further force or effect), at a time and place specified by the Company in such notice or such other date, time and place as may be agreed to by TDF and the Company; provided that, notwithstanding any other

 provision of this Agreement, if (A) (i) any statute, rule, regulation, executive order, decree, ruling or injunction shall have been enacted, entered or enforced by any court or governmental body or authority which prohibits consummation of the Company Call Right substantially on the terms contemplated hereby, each of the Company and TDF shall use its reasonable best efforts to remove any such order, decree or injunction and TDF shall be deemed to be Qualified for purposes of this Agreement for the lesser of (x) the first anniversary of the date of the Company Call Notice and (y) the closing of the Company Call Right following such removal or (ii) the BBC shall not have approved the exercise of the Company Call Right or shall have approved the Company Call Right subject to conditions which are reasonably deemed by the Company or TDF to be onerous, each of the Company and TDF shall use its reasonable best efforts to obtain such BBC approval and to permit the Company to consummate the Company Call Right, and TDF shall be deemed to be Qualified for purposes of this Agreement for so long as (x) TDF continues to exercise its

reasonable best efforts to obtain such removal or approval and (y) the TDF Consolidated Group Interest is not less than 10.5% or (B) if the BBC does not approve the exercise of the Company Call Right in whole or approves the Company Call Right in whole subject to conditions which are reasonably deemed by the Company or TDF to be onerous, the Company shall be entitled to exercise the Company Call Right in respect of so many of the TDF CTSH Shares and TDF CTSH Warrants as do not require the consent of the BBC and TDF shall be deemed to be Qualified for the purposes of this Agreement for so long as (x) TDF continues to exercise its reasonable best efforts to obtain such removal or approval and (y) the TDF Consolidated Group Interest is not less than 10.5%. On the closing date of the Company Call Right, the Company shall deliver to TDF, against delivery of (i) duly executed transfers in respect of (all but one of) the TDF CTSH Shares and the share certificate(s) in respect thereof (which shares TDF undertakes to sell free and clear of all Liens) and a duly executed deed of termination in respect of the TDF CTSH Warrants and (ii) such other documents, including evidence of ownership and authority, as the Company may reasonably request, the TDF Put Shares and the TDF CCIC Warrants and 100,000 shares of Class A Stock (adjusted as aforesaid). In connection with such closing, the Company and TDF shall also provide such other customary closing certificates and opinions as TDF or the Company, as appropriate, may reasonably request.

ARTICLE VII

Miscellaneous

SECTION 7.01. Access to Information; Confidentiality. The Company

shall, and shall cause each of its Subsidiaries to, afford to TDF reasonable access prior to the termination of this Agreement to their respective corporate books and records (including without limitation copies of the minutes of the meetings of their respective boards of directors) and, without prejudice to TDF's rights under the CTSH Shareholders Agreement, TDF shall have the right to attend any meeting of the board of directors of the Company or any Subsidiary of the Company as an observer upon reasonable prior notice to the Corporate Secretary of each of the Company and any such Subsidiary. Except as required by applicable law, TDF will hold, and will use its reasonable best efforts to cause its officers, employees, accountants, counsel, financial advisors and other representatives and controlled affiliates to hold, in confidence any and all non-public information received from the Company or any of its Subsidiaries, directly or

indirectly, and to use such information solely for purposes of effecting the transactions contemplated by this Agreement and the other Transaction Documents.

SECTION 7.02. Survival of Warranties. The covenants, agreements, -----
representations and warranties of the parties contained herein or in any certificate or other document delivered pursuant hereto or in connection herewith shall survive the Closing and shall remain in full force and effect, regardless of any investigation made by or on behalf of any party hereto.

SECTION 7.03. Reasonable Efforts; Further Actions. The parties -----
hereto each will use all reasonable efforts to take or cause to be taken all action and to do or cause to be done all things necessary, proper or advisable under applicable laws and regulations to consummate and make effective the transactions contemplated by this Agreement.

SECTION 7.04. Consents. The parties hereto will cooperate with each -----
other in filing any necessary application, reports or other documents with, giving any notices to, and seeking any consents from, all regulatory bodies and all governmental agencies and authorities and all third parties as may be required in connection with the C consummation of the transactions contemplated by this Agreement.

SECTION 7.05. Amendment and Waiver. This Agreement may not be -----
amended, supplemented or discharged, and no provision hereof may be modified or waived, except expressly by an instrument in writing signed by the parties hereto. Any term or provision of this Agreement may be waived, but only in writing by the party which is entitled to the benefit thereof. No waiver of any provision hereof by any party shall constitute a waiver thereof by any other party nor shall any such waiver constitute a continuing waiver of any matter by such party.

SECTION 7.06. Counterparts. This Agreement may be executed in one or -----
more counterparts, each of which shall be deemed an original but which together shall constitute but one instrument. It shall not be necessary for each party to sign each counterpart so long as every party has signed at least one counterpart.

SECTION 7.07. Notices. All notices, requests, demands, waivers and -----
other communications required or permitted to be given under this Agreement shall be in writing and may be given by any of the following methods: (a) personal delivery; (b) facsimile transmission; (c) registered or certified mail, postage prepaid, return

receipt requested; or (d) overnight delivery service. Notices shall be sent to the appropriate party at its address or facsimile number given below (or at such other address or facsimile number for such party as shall be specified by notice given hereunder):

If to the Company: Crown Castle International Corp.
510 Bering Drive, Suite 500
Houston, TX 77057
Fax: (713) 570-3150
Attn: President

with a copy to: Cravath, Swaine & Moore
Worldwide Plaza
825 Eighth Avenue
New York, NY 10019
Fax: (212) 474-3700
Attn: Stephen L. Burns, Esq.

If to TDF: TeleDiffusion de France
International, S.A.
10 Rue d'Oradour sur Glane
75732 Paris 15
France
Fax: ###-##-####
Attn: Michel Azibert

with a copy to: Allen & Overy
One New Change
London EC4M 9QQ
Fax: 44-171-330-9999
Attn: Michael P. Scargill, Esq.

All such notices, requests, demands, waivers and communications shall be deemed received upon (i) actual receipt thereof by the addressee, (ii) actual delivery thereof to the appropriate address or (iii) in the case of a facsimile transmission, upon transmission thereof by the sender and issuance by the transmitting machine of a confirmation slip that the number of pages constituting the notice have been transmitted without error. In the case of notices sent by facsimile transmission, the sender shall contemporaneously mail a copy of the notice to the addressee at the address provided for above. However, such mailing shall in no way alter the time at which the facsimile notice is deemed to be received or the validity of such facsimile notice.

SECTION 7.08. Binding Effect; Assignment. This Agreement and all of

the provisions hereof shall be binding upon and shall inure to the benefit of the parties and their respective successors and permitted assigns. Neither this

Agreement nor any of the rights, interests or obligations hereunder shall be assigned, directly or indirectly, including, without limitation, by operation of law, by any party hereto without the prior written consent of the other parties hereto (it being understood that TDF may not transfer to any person (other than to any of its Affiliates which becomes a party to the Agreement and to whom there is transferred any Voting Securities of the Company) by operation of law or otherwise, any right of TDF hereunder which arises as a result of TDF being Qualified without the prior written consent of the Company); provided, that TDF shall be entitled to transfer any of its rights under this Agreement to any of its Affiliates subject to any condition or obligation in connection with such right provided hereunder, so long as such Affiliate agrees to become a party to this Agreement and such Affiliate is a holder of the whole or any part of the TDF Group Interest or the TDF Consolidated Group Interest, as applicable.

SECTION 7.09. Entire Agreement. This Agreement, the other

Transaction Documents and the schedules, exhibits and other documents and agreements referred to herein or therein or delivered pursuant hereto or thereto which form a part hereof or thereof constitute the entire agreement among the parties with respect to the subject matter hereof and supersede all other prior agreements and understandings, both written and oral, between the parties or any of them with respect to the subject matter hereof.

SECTION 7.10. No Third Party Beneficiaries. This Agreement shall be

binding upon and inure to the benefit of the parties to this Agreement and their respective successors and permitted assigns, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other person any rights, benefits, claims, liabilities, causes of action or remedies of any nature whatsoever under or by reason of this Agreement.

SECTION 7.11. Expenses. Each of the parties hereto shall pay its own

costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby, including the fees and expenses of counsel, irrespective of when incurred.

SECTION 7.12. Applicable Law and Jurisdiction; Service of Process.

(a) This Agreement shall be construed in accordance with and governed by the law of the State of New York; provided, however, that to the extent that the

terms and conditions of this Agreement relate to the internal affairs of the Company, such terms and conditions

shall be construed in accordance with and governed by the laws of the State of Delaware.

(b) Each of the parties to this Agreement hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

(c) Each of the parties hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each of the parties to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 7.07. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 7.13. Waiver of Jury Trial. Each party hereto hereby waives,

to the fullest extent permitted by applicable law, any right it may have to a trial by jury in any legal proceeding directly or indirectly arising out of or relating to this Agreement or the transactions contemplated hereby or thereby (whether based on contract, tort or any other theory). Each party hereto (a) certifies that no representative, agent or attorney of any other party has represented, expressly or otherwise that such other party would not, in the event of litigation, seek to enforce the foregoing waiver and (b) acknowledges that it and the other parties hereto have been induced to enter into this agree-

ment by, among other things, the mutual waivers and certifications in this Section.

SECTION 7.14. Article and Section Headings. The article, section and ----- other headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

SECTION 7.15. Termination. This Agreement may be terminated by the ----- mutual consent of the parties hereto.

SECTION 7.16. Specific Enforcement. The parties hereto acknowledge ----- and agree that irreparable damage would occur in the event any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached for which money damages would not be an adequate remedy. It is accordingly agreed that, so long as permitted by applicable law, the parties shall be entitled to an injunction or injunctions to prevent breaches of the provisions of this Agreement and to enforce specifically the terms and provisions hereof without the necessity of proving the inadequacy of money damages as a remedy.

SECTION 7.17. Severability. Should any provision of this Agreement ----- for any reason be declared invalid or unenforceable, such decision shall not affect the validity or enforceability of any of the other provisions of this Agreement, which remaining provisions shall remain in full force and effect and the application of such invalid or unenforceable provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall be valid and enforced to the fullest extent permitted by law.

IN WITNESS WHEREOF, each party hereto has executed this Agreement as of the day and year first above written.

CROWN CASTLE INTERNATIONAL CORP.,

by

Name:
Title:

TELEDIFFUSION DE FRANCE
INTERNATIONAL S.A.,

by

Name:
Title:

DIGITAL FUTURE INVESTMENTS
B.V.

by

Name:
Title:

Restricted Parties

British Telecom

Bouygues

Cegetel

Stet

Schedule B

1. The delivery of all notices required by law or regulation in relation to the transaction and the expiration of all waiting or notice periods in relation thereto;
2. The receipt of all governmental and other regulatory consents or notifications required in relation to the transaction, including, without limitation, where the grant or the exercise of any of the rights under Articles V or VI of this Agreement requires a notification to be made to the European Commission under the Merger Regulation (4064/89, as amended):
 - (a) the European Commission issuing a Phase I decision under Article 6(1)(a) or Article 6(1)(b) of the Merger Regulation and not making a decision under Article 9(1) thereof; or
 - (b) in respect of the United Kingdom, as follows:
 - (a) the Office of Fair Trading indicating in terms satisfactory to the parties, that it is not the intention of the Secretary of State to refer the acquisition of the shares to the UK Monopolies and Mergers Commission ("MMC") pursuant to the Fair Trading Act 1973; or
 - (b) the Secretary of State accepting undertakings from the buyer of the shares in lieu of a reference of the said acquisition to the MMC as aforesaid.
3. The prior written consent of the BBC to the extent required in relation to the transaction under or otherwise necessary to prevent triggering a right of the BBC to terminate any of the Analogue Transmission Contract, the Digital Transmission Contract, the Commitment Agreement pursuant to the terms thereof and any other agreement containing substantially similar restrictions and any agreement amending or replacing the same; and
4. The receipt of any consent required under the Finance Documents (as defined in the CTSB Shareholders Agreement) in relation to the transaction or any agreement (whether or not with the same banks) amending, replacing or refinancing (in whole or in part) the same or any other agreement providing finance to the CTSB Group; and
5. Good and indefeasible title being transferred by the party transferring such shares.

DATED . . , 1998

CROWN CASTLE INTERNATIONAL CORP.	(1)
TELEDIFFUSION DE FRANCE INTERNATIONAL S.A.	(2)
CASTLE TRANSMISSION SERVICES (HOLDINGS) LIMITED	(3)

SHAREHOLDERS' AGREEMENT

ALLEN & OVERY
London

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THIS SHAREHOLDERS' AGREEMENT is dated . . , 1998 and is made AMONG:

- (1) CROWN CASTLE INTERNATIONAL CORP. ("CCIC"), a Delaware corporation;
- (2) TELEDIFFUSION DE FRANCE INTERNATIONAL S.A. ("TDFI"), a company incorporated in France; and
- (3) CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD. (the "COMPANY"), a company incorporated in England and Wales.

WHEREAS

- (A) The Company is a private company limited by shares incorporated in England and Wales with No. 3242381 under the Companies Act 1985 on 27th August, 1996.
- (B) At the date hereof the Company has an authorised share capital of (Pounds)117,800,000 divided into 11,780,000 ordinary shares of 1p each and 11,768,220,000 redeemable preference shares of 1p each.
- (C) On . 1998 CCIC and, inter alia, the Company, Digital Future Investments B.V. ("TDF SUB"), the Berkshire parties (as defined below) and the Candover parties (as defined below) entered into a Share Exchange Agreement (the "SHARE EXCHANGE AGREEMENT") pursuant to which TdF sub, the Berkshire parties and the Candover parties agreed, subject to the terms and conditions of such Share Exchange Agreement, to exchange (the "EXCHANGE") shares in the Company for shares of common stock (or, in the case of TdF sub, shares of Class A Stock) of CCIC.
- (D) CCIC, TdFI and the Company have agreed to enter into this Agreement for the purposes of regulating the operation and management of the Company and the relationship between CCIC and TdFI as shareholders of the Company with effect on and from the Exchange.

THE PARTIES AGREE as follows:

1. INTERPRETATION

1.1 DEFINITIONS:

In this Agreement unless the context otherwise requires:

"ACQUISITION AGREEMENT" means the agreement dated 23rd January, 1997 between The British Broadcasting Corporation and the Company relating to the sale and purchase of the whole of the issued share capital of CTI;

"AFFILIATE" means, in relation to any Shareholder, any other member of that Shareholder's Group;

"AGREEMENT" means this agreement as amended from time to time;

"ANALOGUE TRANSMISSION CONTRACT" means the analogue transmission agreement between the BBC and CTI dated 28th February, 1997;

"BBC" means The British Broadcasting Corporation;

"BBC CONTRACTS" means the Analogue Transmission Contract and the Digital Transmission Contract;

"BERKSHIRE PARTIES" means Berkshire Fund IV, LP, Berkshire Investors LLC and Berkshire Partners LLC;

"BUSINESS COMBINATION" has the meaning given to it in the Governance Agreement;

"BUSINESS PLAN" means the Current Business Plan of the Company and its Subsidiaries as amended from time to time in accordance with clause 6.1;

"BUSINESS DAY" means a day (excluding Saturdays) on which banks generally are open in London for the transaction of normal banking business;

"CANDOVER PARTIES" means Candover Investments plc, Candover (Trustees) Limited, Candover Partners Limited (as general partner of the Candover 1994 UK Limited Partnership), Candover Partners Limited (as general partner of the Candover 1994 UK No. 2 Limited Partnership), Candover Partners Limited (as general partner of Candover 1994 US No. 1 Limited Partnership) and Candover Partners Limited (as general partner of the Candover 1994 US No. 2 Limited Partnership);

"CCIC SERVICES AGREEMENT" means the services agreement dated 28th February, 1997 between CCIC and the Company;

"CHANGE OF CONTROL" means the occurrence or subsistence of any event or circumstance described in clause 13.5.1 of the Analogue Transmission Contract (other than a breach by TdFI of the Commitment Agreement) or clause 12.7.1 of the Digital Transmission Contract in relation to any holding company (as defined in section 736 of UK Companies Act 1985) of the Company or a Business Combination;

"CLASS A STOCK" shall have the meaning given to it in the Governance Agreement;

"COMMITMENT AGREEMENT" means the Commitment Agreement dated 28th February, 1997 between The British Broadcasting Corporation, CCIC, TdFI and Telediffusion de France, S.A.;

"COMPANY'S BUSINESS" has the meaning set out in clause 3.2;

"COMPANY CALL RIGHT" shall have the meaning given to it in the Governance Agreement;

"COMPANY'S CONSTITUTION" means the memorandum and articles of association of the Company, as amended from time to time;

"COMPANY'S DIRECTORS" means the directors of the Company from time to time;

"COMPANY SHARES" means the Ordinary Shares and the Preference Shares or, following the conversion of Preference Shares into Ordinary Shares (as contemplated by clause 2.2(a)), the Ordinary Shares;

"COMMON STOCK" means shares of CCIC's common stock, par value \$.01 per share;

"CONTROLLING SHAREHOLDER" means any Shareholder who holds more than 50 per cent of the Shares;

"CTI" means Castle Transmission International Limited, a private company limited by shares incorporated in England and Wales with registered number 3196207;

"CTSH GROUP" means CTSH and its subsidiaries;

"CTSH OPTION" has the meaning given to it in Section 5.01(a) of the Governance Agreement;

"CURRENT BUSINESS PLAN" means the business plan of the Company and its Subsidiaries for the current Financial Year in the agreed form;

"DIGITAL TRANSMISSION CONTRACT" means the digital transmission contract between the BBC and CTI dated 10th February, 1998;

"DISPOSE" means, in relation to a Share, to transfer, sell, assign, mortgage, pledge or otherwise encumber that Share or allow any right to arise under which any person other than the holder thereof may require a transfer, sale, assignment, mortgage, pledge or other encumbrance of that Share and "DISPOSAL" shall be construed accordingly;

"FAIR MARKET VALUE" means, as to any property, the cash price at which a willing seller would sell and a willing buyer would buy such property in an arms' length negotiated transaction without time constraints;

"FINANCE DOCUMENTS" means all of the documents referred to in the definition of "Financing Documents" in the Loan Agreement dated 28th February, 1997 between CTI (1) the Company (2), the lenders listed therein (3) Credit Suisse First Boston (4) and J.P. Morgan Securities Limited (5) (as amended on 21st May, 1997) and the Guaranteed Bonds and any document which replaces the same;

"FINANCIAL YEAR" means a financial year for the purposes of the Companies Act 1985;

"GOVERNANCE AGREEMENT" means the Governance Agreement of even date between CCIC and TdFI;

"GROUP" means, in relation to a Shareholder, it, its ultimate holding company, its subsidiaries and subsidiaries of any such holding company.

"GUARANTEED BONDS" means (Pounds)125,000,000 9 per cent. Guaranteed Bonds due 2007 issued by Castle Transmission (Finance) PLC and jointly and severally guaranteed by CTSB and CTI;

"HOLDING COMPANY" shall have the meaning ascribed to it by section 736 Companies Act 1985;

"INTEREST" means, in relation to a Share, any legal or beneficial interest in that Share or any right or power (whether conditional or unconditional and whether legally enforceable or otherwise) to exercise control (directly or indirectly) over the disposal of that Share or over the manner in which any right to vote in a general meeting attached to that Share is exercised and "INTERESTED" shall be construed accordingly;

"LIENS" shall mean all liens, security interests, claims, charges and encumbrances of any kind;

"LONDON STOCK EXCHANGE" means London Stock Exchange Limited;

"OPERATING AGREEMENT" means the operating agreement in the agreed form between CCIC, the Company, CTI and TdFI;

"OPTION EXERCISE DATE" means the date upon which TdFI gives written notice to CCIC in accordance with clause 28 of the exercise of its option under clause 9.6(a)(i);

"ORDINARY SHARES" means ordinary shares of 1p each in the capital of the Company;

"ORIGINAL SHAREHOLDERS' AGREEMENT" means the Shareholders' Agreement dated 23rd January, 1997 in respect of the Company (as amended by a Deed of Adherence dated 2nd May, 1997, the Share Sale Agreement dated . 1998 and a Deed of Adherence dated ., 1998) between, inter alia, the Company, CCIC, TdFI, the Berkshire Parties and the Candover Parties;

"PERMITTED BUSINESS" means the provision of wireless communication infrastructure services and analogue or digital television and radio transmission services;

"PERMITTED TRANSFEREES" means a person to whom Company Shares have been transferred pursuant to clause 9.2;

"PERSONS ACTING IN CONCERT" means persons who, pursuant to an agreement or understanding (whether formal or informal), actively co-operate, through the acquisition by any of them of shares in a party, to obtain a Controlling Interest in relation to that party, or agree so to co-operate;

"PREFERENCE SHARES" means redeemable preference shares of 1p each in the capital of the Company;

"QUALIFIED" means, in relation to CCIC, for so long as it (when taken together with its Affiliates and Permitted Transferees) holds 10 per cent. or more of the equity share capital of the Company from time to time (and CCIC shall be treated as being Qualified for the purposes of this Agreement for so long as CCIC shall satisfy such criteria) and, in relation to TdFI, Qualified means:

- (a) at any time prior to TdFI (or any of its Affiliates or Permitted Transferees) having exchanged its Shares in the company for Class A Stock of CCIC pursuant to the terms of this Agreement or the Governance Agreement, that it (when taken together with its Affiliates and permitted Transferees) holds 10 per cent. or more of the equity share capital of the Company from time to time (and TdFI shall be treated as being Qualified for the purposes of this Agreement for so long as TdFI shall satisfy such criteria); and
- (b) if the TDF Rollup shall have occurred pursuant to the Governance Agreement, that the TDF Group Interest (as defined in the Governance Agreement) shall not have fallen below 5 per cent; provided that, for the purposes of clauses 6.1(p) and 6.2(o) only, Qualified means that the TDF Group Interest shall have fallen below 10.5 per cent;

"TDF PUT RIGHT" shall have the meaning given to it in the Governance Agreement;

"TDF SERVICES AGREEMENT" means the services agreement (as amended and restated) in the agreed form to be entered into between TdF and CTI;

"SHAREHOLDERS" means CCIC and TdFI and such other holders of Company Shares who become parties to this Agreement from time to time;

"SHARES" means any shares in the share capital of the Company;

"SHARE SALE AGREEMENT" means the share sale agreement dated ., 1998, inter alia, for the sale and purchase of certain shares of the Company entered into by the Berkshire parties, the Candover parties, TdFI, TdF sub, CCIC and the Company;

"SPECIAL MAJORITY VOTE OF THE BOARD" shall have the meaning given to it in the Governance Agreement;

"SUBSIDIARY" or "SUBSIDIARIES" means CTI and any subsidiary of the Company from time to time;

"SUBSIDIARY" shall have the meaning ascribed to it by section 736 Companies Act;

"TDF ROLLUP" shall have the meaning given to it in the Governance Agreement;

"TDF CHANGE OF CONTROL" shall have the meaning given to it in the Governance Agreement as if references to "the Company" therein were references to CCIC;

"WARRANTS" means the warrants to subscribe for Shares in accordance with the Warrant Documentation;

"WARRANT DOCUMENTATION" means (a) the instrument dated 28th February, 1997 constituting warrants entitling (i) CCIC to subscribe for 515,000 Ordinary Shares and 514,485,000 Preference Shares and (ii) TdFI to subscribe for 257,500 Ordinary Shares and 257,242,500 Preference Shares and (b) the certificates dated 28th February, 1997 in respect thereof.

1.2 HEADINGS

Section, clause and other headings are for ease of reference only and shall not be deemed to form any part of the context or to affect the interpretation of this Agreement.

1.3 PARTIES

References to parties are references to parties to this Agreement.

1.4 PERSONS

References to persons shall be deemed to include references to individuals, companies, corporations, firms, partnerships, joint ventures, associations, organisations, trusts, states or agencies of state, government departments and local and municipal authorities in each case whether or not having separate legal personality.

1.5 DEFINED EXPRESSIONS

Expressions defined in this Agreement bear the defined meaning in the whole of this Agreement including the recitals.

1.6 SECTIONS, CLAUSES, SCHEDULES AND ANNEXURES

References to sections, clauses, schedules annexures are references to sections and clauses of, and schedules and annexures to this Agreement.

1.7 PLURAL AND SINGULAR

Words importing the singular number shall include the plural and vice versa.

1.8 NEGATIVE OBLIGATIONS

Any obligation not to do anything shall be deemed to include an obligation not knowingly to cause that thing to be done.

1.9 GENDER

Words importing one gender shall include the other gender.

1.10 STATUTES AND REGULATIONS

References to a statute include references to regulations, orders or notices made under or pursuant to such statute or regulations made under the statute and references to a statute or regulation include references to all amendments to that statute or regulation whether by subsequent statute or otherwise and a statute or regulation passed in substitution for the statute or regulation referred to as incorporating any of the provisions.

1.11 CURRENCY

References to any monetary amount are, unless expressly stated otherwise, references to an amount in pounds sterling.

1.12 UNLAWFUL PROVISIONS

Neither the Company nor any Subsidiary shall be bound by any provision of this Agreement to the extent that it would constitute an unlawful fetter on any statutory power of the Company and/or any Subsidiary (as the case may be), but that provision shall remain valid and binding as regards all other parties to which it is expressed to apply and such provision shall take effect so as to include an obligation on the part of the Shareholders to exercise all their respective powers and rights so as to procure, so far as they are able, that the Company and/or any Subsidiary (as the case may be) complies with such provision notwithstanding that it is not bound by it.

1.13 References to any documents being "in the agreed form" mean in a form agreed, and for the purposes of identification signed, by or on behalf of the Shareholders and the Company.

2. COMPLETION

2.1 Completion shall take place immediately following the execution of this Agreement (or at such other date and time as the Shareholders may agree in writing).

2.2 At Completion:

- (a) the Shareholders shall procure that special resolutions of the Company in the agreed form are passed to convert each existing Preference Share in issue into one Ordinary Share and to adopt the Articles in the agreed form;
- (b) CCIC and TdFI shall procure that a meeting of the Board is held at which it is resolved that:
 - (i) each of the share transfers referred to in the Share Exchange Agreement shall be approved for registration and (subject only to the transfer being duly stamped, if required) CCIC shall be registered as the holder of the Shares in the register of members;
 - (ii) Charles Green III be appointed as an additional Director by CCIC;
 - (iii) Michel Combes be appointed as an additional Director by TdFI;
 - (iv) Ted B. Miller, Jr. be appointed the chairman of the board of Directors;
 - (v) the Company approve the TDF Services Agreement (as amended and restated) and the Operating Agreement; and
 - (vi) the Company approve the termination of the agreement referred to in paragraph (h) below and the termination in accordance with its terms of the Original Shareholders' Agreement.
 - (vii) the Company approve the allotment and issue of shares envisaged by clause 2.2(g) and (h);
- (c) CCIC and TdFI shall procure the resignation of Carl Ferenbach and Douglas Fairservice as Directors of the Company and its Subsidiaries (if relevant), to take effect at or immediately after Completion;
- (d) CCIC and CTI shall enter into a deed of termination to terminate the CCIC Services Agreement with effect at or immediately after Completion without compensation to CCIC;

- (e) the Company and TdF shall enter into the TDF Services Agreement (as amended and restated);
- (f) the Company, CCIC and TdFI shall, and the Company shall procure that CTI shall, enter into the Operating Agreement;
- (g) CCIC shall subscribe at 2.5 times par value for such number of Ordinary Shares of 1p each of CTSH (or the corresponding amount of Ordinary and Preference Shares in the ratio of 1 Ordinary Shares to 999 Preference shares if the resolution referred to in clause 2.2(a) has not been passed) as would result in CCIC holding 80 per cent. in number of the Ordinary Shares (or, as the case may be, the Ordinary Shares and the Preference Shares and the Company shall allot and issue such shares);
- (h) CCIC shall exercise each of its Warrants; and
- (i) the Company, CCIC and TdFI shall enter into a termination agreement in respect of the Original Shareholders' Agreement with effect at or immediately after Completion.

2.3 No party shall be obliged to complete any of the transactions or do any of the things referred to in this clause 2 unless all other transactions and things are completed in accordance with this clause.

3. THE COMPANY'S OBJECTIVES, BUSINESS, STRUCTURE AND GOVERNANCE

3.1 THE COMPANY'S PRIMARY OBJECTS

The primary objects of the Company under the Original Shareholders' Agreement were sub-clauses 3.1(a) to 3.1(f) and are under this Agreement sub-clauses 3.1(c) to 3.1(g):

- (a) PURCHASE CTI: enter into and discharge its obligations under the Acquisition Agreement;
- (b) FUNDING PURCHASE: enter into arrangements in respect of the funding of the acquisition of CTI;
- (c) FINANCING CTI: enter into and continue the arrangements contemplated by the Finance Documents regarding the capitalisation of CTI;
- (d) HOLD SHARES IN CTI: hold all the issued shares of CTI subject to the terms of this Agreement;
- (e) MANAGEMENT: undertake generally such actions and matters as are necessary to manage the Company's shareholding in CTI; and
- (f) INCIDENTAL: undertake such other actions, matters or things as may be necessary to achieve or are incidental to any of the above objects; and
- (g) GUARANTOR: act as guarantor of the Guaranteed Bonds.

3.2 THE COMPANY'S BUSINESS

The Company's Business shall consist of implementing the objects set forth in clause 3.1. The Company shall carry on no business other than the Company's Business, except as authorised pursuant to clause 6. 1(e).

3.3 THE COMPANY'S STRUCTURE

Except to the extent already the case, the Shareholders agree to proceed with all due expedition to structure or restructure the Company in accordance with the following provisions:

- (a) MEMORANDUM AND ARTICLES: the Company shall have a memorandum of association and articles of association in the agreed form;
- (b) NUMBER OF THE COMPANY'S DIRECTORS: the number of Directors of the Company shall be 6;
- (c) SHAREHOLDERS' ENTITLEMENT TO NOMINATE DIRECTORS OF THE COMPANY: the Shareholders shall exercise their voting entitlements in the Company to procure that at any time:
- (i) CCIC, for so-long as it (when taken together with its Affiliates and Permitted Transferees) is Qualified, shall have the right to appoint (and remove) two Directors;
 - (ii) TdFI, for so long as it (when taken together with its Affiliates and Permitted Transferees) is Qualified, shall have the right to appoint (and remove) two Directors.

Directors of the Company appointed pursuant to 3.3(c) shall be nominated by written notice to each Shareholder. Each Director of the Company so appointed may be removed and replaced at any time by the Shareholder entitled to nominate that Director; each Shareholder with a right to nominate a Director of the Company may assign or waive that right in whole but not in part in connection with a transfer of the whole but not some only of the Shareholder's Company Shares pursuant to clause 9 (provided that no Shareholder (when taken together with its Affiliates and Permitted Transferees) shall be entitled to appoint more than two Directors and provided that any transferee shall only be entitled to appoint a Director if such transferee (when taken together with its Affiliates and its Permitted Transferees) is Qualified and each assignor of that right shall give notice to the Directors of the Company of any such assignment immediately. If a Shareholder removes from office a Director of the Company nominated by that Shareholder, that Shareholder shall indemnify the Company against any loss, liability or cost that the Company may suffer or incur as a result of any claim by such Director arising out of such removal. The first Directors nominated pursuant to this clause 3.3(c) shall be as follows:

NAME OF SHAREHOLDER	NOMINEE
CCIC	Ted Miller
CCIC	Charles Green III
TdFI	Michel Azibert
TdFI	Michel Combes

- (d) ADDITIONAL DIRECTORS OF THE COMPANY: any additional Directors of the Company shall be nominated and elected, and may be removed and replaced at any time, by a written notice signed by or on behalf of every Shareholder who (when taken together with its Affiliates and Permitted Transferees) is Qualified.
- (e) OBSERVERS: each of the Shareholders shall be entitled to nominate one observer who shall be entitled to attend and speak at meetings of the Directors of the Company. Such observers shall not be Directors and shall neither be entitled to vote at meetings of the Directors of the Company nor have any authority to bind the Company.
- (f) MAJORITY RULE: except as provided in this Agreement, resolutions of the Directors of the Company shall be deemed to be passed if approved by a majority of the Directors of the Company which includes a Director nominated by CCIC and a Director nominated by TdFI voting thereon at a meeting of Directors of the Company at which a Director nominated by CCIC and a Director nominated by TdFI is present, provided the meeting is duly convened and held after notice provided in accordance with clause 3.3(i) (which meeting may be a telephone meeting conducted as provided in the Articles of

Association), or approved in writing signed by all the Directors of the Company in accordance with the Company's Constitution; provided that, at any time after the TdF Rollup shall have occurred pursuant to the Governance Agreement and TdF shall have ceased to be Qualified, for the purposes of any resolution of the board of the Directors of the Company approving any of the matters referred to in clauses 6.1(p) or 6.2(o), the majority of the Directors of the Company does not require a Director nominated by TdFI.

- (g) COMMITTEES OF THE DIRECTORS OF THE COMPANY: There shall be established two committees of the Directors of the Company, pursuant to the Company's Constitution, as follows:
- (i) an Audit Committee consisting of any number of non-executive Directors of the Company (including the Directors appointed from time to time under and in accordance with clause 3.3(c)) selected by the Directors of the Company as a board and having the functions customary to an Audit Committee; and
 - (ii) a Remuneration Committee consisting of any number of non-executive Directors of the Company (including the Directors appointed from time to time under and in accordance with clause 3.3(c)) selected by the Directors of the Company as a board and having only advisory powers unless other powers are specifically delegated by the Directors of the Company as a board.

Such committees shall have the powers delegated by resolution of the Directors of the Company.

- (h) NO ACTION UNTIL DESIGNEE REPLACED: If a Director of the Company nominated by a Shareholder resigns, is removed or for any other reason ceases to serve as a Director of the Company and/or as a member of any committee of the Directors of the Company on which such person had the right to serve, such Shareholder shall have the right to nominate the successor of such person, and provided such Shareholder nominates a successor within five business days after the predecessor ceased to serve as a Director of the Company or as a member of such committee, neither the Directors of the Company nor such committee shall take any action, whether at a meeting of the Directors of the Company (or a committee thereof) or otherwise, until such successor has been elected as a Director of the Company or a member of such committee, as the case may be; provided that in no event may any Shareholder cause a single delay of more than 10 days by the failure of such Shareholder to exercise its rights under this clause 3.3(h).
- (i) NOTICE OF MEETINGS: No meeting of the Directors of the Company or of a committee of the Directors of the Company shall normally be convened on less than 14 days' notice, but such a meeting may be convened by giving not less than two days' notice if the interests of the Company would be likely to be adversely affected to a material extent if the business to be transacted at such meeting was not dealt with as a matter of urgency or if all the Directors agree. An agenda of the business to be transacted at such meeting shall be sent with any such notice and any documents relating to issues to be considered at any such meeting shall be distributed in advance to all the Directors (or, in the case of a committee, to the members of that committee) and their alternates so as to ensure that they are received at least seven days (or, if less than seven days' notice of such meeting is given, as soon as practicable) prior to the date fixed for such meeting.

3.4 GOVERNANCE OF THE COMPANY

- (a) GENERAL PROVISIONS: The Company shall be operated in accordance with the Company's Constitution and the terms of this Agreement and any agreement entered into pursuant to this Agreement and, while effective, pursuant to the Finance Documents. Each of the Shareholders agrees to perform and observe all terms and conditions to be observed by them and performed under any contract or arrangement from time to time subsisting between them and the Company or

any of the Subsidiaries, and the Shareholders (in their capacity as Shareholders) agree to procure (insofar as they are able by the exercise of such rights and powers) that the Company and the Subsidiaries perform and observe this Agreement and all such agreements.

- (b) **DIRECTORS' MEETINGS OF THE COMPANY:** Meetings of the Directors of the Company shall be held at regular intervals as shall be determined by the Directors of the Company. Such meetings may be carried on in any manner permitted by the Company's Constitution but the parties shall each use all reasonable endeavours to ensure that actual meetings at which Directors of the Company are personally present in one room (barring unscheduled unavailability) occur not less frequently than at quarterly intervals at such place or places within the United Kingdom as the Directors of the Company may from time to time determine. The Company shall meet the reasonable travel and accommodation expenses of Directors of the Company attending meetings of Directors of the Company. Any Director of the Company who is unable to attend a meeting in person shall have the right to attend the meeting by means of conference telephone.
- (c) **CHAIRMAN OF THE COMPANY:** The chairman of the board of Directors shall be Ted B. Miller, Jr. or such other person as the Directors of the Company nominated by CCIC shall determine and any such other person shall be such person as shall have been approved by a Special Majority Vote of the Board of CCIC. Such other person appointed pursuant to this clause 3.4(c) shall be nominated by written notice to each Shareholder together with a certified copy of the Special Majority Vote of the Board of CCIC. The chairman of the board of Directors of the Company shall not have a second or casting vote.
- (d) **RESPONSIBILITY OF THE DIRECTORS:** The Directors of the Company shall be responsible for the overall guidance and direction of the Company.
- (e) **CHIEF EXECUTIVE, CHIEF OPERATIVE OFFICER, CHIEF FINANCIAL OFFICER:** The chief executive officer, the chief operating officer and the chief financial officer of the Company shall be nominated by CCIC and shall be such persons as shall have been approved by a Special Majority Vote of the Board of CCIC. Such an officer of the Company appointed pursuant to this clause 3.4(e) shall be nominated by written notice to each Shareholder together with a certified copy of the Special Majority Vote of the Board of CCIC.

[consider including board review and approval of CFO and COO compensation from members of the Group and allocation of management resources in place of paragraph 6 of the Operating Agreement as per TdFI's comments at today's board meeting.]

- (f) **INDEMNIFICATION OF DIRECTORS:** The Company shall indemnify the Directors of the Company to the greatest extent permitted by applicable law with respect to any liability, claim or expense incurred arising out of or related to their service as Directors of the Company and shall obtain Directors and Officers liability insurance coverage to the extent available on reasonable terms, as determined by resolution of the Directors of the Company.

4. GOVERNANCE OF SUBSIDIARIES

- 4.1 Each Director of the Company from time to time shall be appointed as a director of each Subsidiary of the Company.
- 4.2 The provisions of clauses 3.3(e), (f), (g), (h), (i) and 3.4(a), (b), (c), (d) and (e) shall apply, *mutatis mutandis*, in relation to each Subsidiary in the same way as they apply in the Company and its Subsidiaries.

5. ACCOUNTS, AUDIT AND REPORTING

5.1 FINANCIAL YEAR

Each Financial Year of the Company and each Subsidiary shall end on the date determined by resolution of the Directors of the Company nominated by CCIC.

5.2 AUDITORS

The Directors of the Company nominated by CCIC shall have the right to appoint the auditors to the Company and its Subsidiaries.

5.3 REPORTS ETC.

The Company and each Subsidiary (where applicable) shall:

- (a) **ADOPT POLICIES:** adopt such accounting, administrative, insurance and other policies and systems consistent with US and UK generally accepted accounting principles from time to time as the Directors of the Company nominated by CCIC may from time to time determine;
- (b) **BOOKS, RECORDS ETC.:** maintain accurate and complete books, records, accounts, statements and documents of its respective operations, businesses and financial affairs, all of which shall be available to each of the Shareholders, their respective nominated Directors and their authorised representatives for the purpose of inspection and making copies thereof and taking extracts therefrom;
- (c) **FURNISH REPORTS:** prepare and furnish to each of the Shareholders within 30 days after the end of each month during the term of this Agreement such financial statements and business reports as may be available (including, without limitation, copies of any financial statements and business reports furnished pursuant to the Finance Documents);
- (d) **FINANCIAL STATEMENTS:** prepare and deliver to each of the Shareholders (i) consolidated financial statements in respect of the Company and its Subsidiaries consisting of a balance sheet, statement of revenue and expenses and statement of changes in financial position; (ii) copies of any financial statements and business reports furnished pursuant to the Finance Documents; and (iii) such other statements as the Directors of the Company may from time to time consider advisable, in each case prepared in accordance with the generally accepted accounting principles approved by resolution of the Directors of the Company nominated by CCIC, as follows:
 - (i) **QUARTERLY STATEMENTS:** unaudited quarterly consolidated financial statements shall be prepared and delivered to each of the Shareholders promptly after they are available and in any event within 45 days after the end of each quarter; and
 - (ii) **ANNUAL STATEMENTS:** audited annual consolidated financial statements, accompanied by the report of the Company's auditors thereon, shall be prepared and delivered to each of the Shareholders promptly when available and in any event within 90 days after the end of each financial year of the Company,

provided that all or any of the requirements of this clause 5.2(d) may, to the extent permitted by applicable law, be waived by unanimous resolution of those Directors of the Company nominated by the Shareholders; and
- (e) **KEEP INFORMED:** keep the Shareholders informed on a timely basis of all material developments (as determined by the Directors of the Company) affecting the conduct of their respective businesses.

6. MATTERS REQUIRING AGREEMENT

6.1 MATTERS REQUIRING AGREEMENT OF SHAREHOLDERS - THE COMPANY

The Shareholders shall exercise all voting and other powers of control available to them directly or indirectly in relation to the Company so as to procure (insofar as they are able by the exercise of such rights and powers in accordance with clause 17.4 of this Agreement) that the Company shall not without the prior agreement in writing of each Shareholder (such consent to be given or refused within 14 days of a written request for such approval) which is Qualified:

- (a) ACQUISITION AND DISPOSITIONS: acquire or establish any Subsidiary other than CTI or make any acquisition or disposal which would constitute a super class 1 transaction or a class 2 transaction if the share capital of the Company were listed on the London Stock Exchange;
- (b) SHARE ISSUES: issue or offer to any person any share or loan capital, or other securities convertible or exchangeable into share or loan capital, or allow to arise or subsist any interest in any share or loan capital, in the Company or any Subsidiary or purchase or redeem or reorganise any share or loan capital in the Company or any Subsidiary except Company Shares to be issued pursuant to the terms of the Warrant Documentation;
- (c) SUBSIDIARIES' SHARES: transfer (other than as required by the Finance Documents) or otherwise dispose of the Shares it holds in each of the Subsidiaries;
- (d) TRANSACTIONS WITH SHAREHOLDERS: enter into a transaction with (other than with respect to the provision of services or know-how by or to CTI in accordance with the terms of the TdF Services Agreement and/or the Operating Agreement) a Shareholder or any Affiliate of a Shareholder, except as expressly contemplated by this Agreement or make any variation or amendment (other than of a formal, minor or technical nature) to any arrangements (whether or not contemplated by this Agreement) between the Company and any Shareholder or any Affiliate of any Shareholder;
- (e) OTHER BUSINESS: carry on any business other than the Company's Business;
- (f) CAPITAL EXPENDITURE: incur capital expenditure in any financial year in excess of that which is included in the Company's budget for that year as approved in writing by all the Shareholders;
- (g) BANKING AND OTHER FINANCING FACILITIES: enter into any banking or other financing facility (other than pursuant to the Finance Documents) or vary the terms of any banking or other financing facility;
- (h) GUARANTEES AND INDEMNITIES: give any guarantee or indemnity in respect of the obligations of any other person (other than a wholly-owned Subsidiary provided that such guarantee or indemnity is expressly contemplated by the Business Plan, the Finance Documents or the Acquisition Agreement);
- (i) CREATION OF SECURITY: create any mortgage, charge, lien (other than a lien arising in the ordinary course of trading) or encumbrance on any assets (other than pursuant to the Finance Documents);
- (j) LENDING OF MONEY: lend any money to any other person (other than to a wholly-owned Subsidiary provided that such loan is expressly contemplated in the Business Plan or made to finance the payment of the consideration under the Acquisition Agreement);
- (k) JOINT VENTURE ARRANGEMENTS: enter into any arrangements which constitute a partnership or joint venture with any other person or persons;

- (l) LITIGATION: commence or settle any litigation involving a claim exceeding (Pounds)500,000;
- (m) THE COMPANY'S CONSTITUTION: make any alteration to its Constitution;
- (n) WINDING UP: pass any resolution for winding up;
- (o) RECEIVER OR ADMINISTRATOR: apply for the appointment of a receiver or an administrator;
- (p) DIVIDENDS: declare, make or pay any dividend (interim or final) save in respect of (i) dividends payable in respect of the Preference Shares in accordance with the Company's Constitution (but subject always to the terms of the Financing Documents), and (ii) dividends of amounts which would not (if paid) unreasonably deplete the financial resources of the Company having regard to the actual and prospective obligations, commitments and planned or budgeted expenditure of the CTSH Group; provided always that the payment of such dividends is permitted by the terms of the Finance Documents (it being agreed that the Shareholders will use their best endeavours to ensure that the Company will make any such dividends in a tax efficient manner for each Shareholder);
- (q) INCENTIVE SCHEMES: establish, approve or make any amendment or variation to any cash incentive or cash bonus scheme in relation to any employee of the Company or any subsidiary provided that (I) neither CCIC nor TdFI shall unreasonably withhold their consent to the establishment or implementation of cash incentive or cash bonus schemes of a type which are currently or have in the past been operated by members of the CTSH Group in accordance with reasonable business principles for the benefit of employees of the Company or its Subsidiaries and (ii) it is acknowledged and agreed that the remuneration of employees of the Company or its Subsidiaries may continue to be determined and increased in a manner consistent with past practices of the Company and its Subsidiaries in accordance with reasonable business principles;
- (r) PUBLIC OFFERINGS: take any step to obtain a listing or quotation for any Shares or any shares of a Subsidiary on any stock exchange, over-the-counter market or other trading association with a view to offering any Shares for sale to the public or offer any Shares or any shares of a Subsidiary for sale to the public; and
- (s) OPERATING AGREEMENT: make any amendment to the Operating Agreement, other than an amendment of a formal, minor or technical nature.

6.2 MATTERS REQUIRING AGREEMENT OF SHAREHOLDERS - SUBSIDIARIES

The Shareholders shall exercise all voting and other powers of control available to them directly or indirectly in relation to the Company, and the Company shall exercise all voting and other powers of control available to it so as to procure (insofar as they are able by the exercise of such rights and powers in accordance with clause 17.4 of this Agreement) that each Subsidiary shall not without the prior agreement in writing (such consent to given or refused within 14 days of a written request for such approval) of each Shareholder which is Qualified:

- (a) ACQUISITIONS AND DISPOSALS: make any acquisition or disposal which would constitute a super class 1 transaction or a class 2 transaction if the share capital of that Subsidiary were listed on the London Stock Exchange;
- (b) SHARE ISSUES: issue or offer to any person any shares or loan capital, or other securities convertible or exchangeable into shares or loan capital, or allow to arise or subsist any interest in any share or loan capital, of such Subsidiary or the Company or purchase or redeem or reorganise any share or loan capital of such Subsidiary or the Company except for any shares issued or offered to the Company;

- (c) **TRANSACTIONS WITH SHAREHOLDERS:** enter into a transaction (other than with respect to the provision of services or know-how by or to CTI in accordance with the terms of the TdF Services Agreement and/or the Operating Agreement) with a Shareholder or any Affiliate of a Shareholder, except as expressly contemplated by this Agreement or make any variation or amendment (other than of a formal, minor or technical nature) to any arrangements (whether or not contemplated by this Agreement) between a Subsidiary and any Shareholder or any Affiliate of any Shareholder;
- (d) **OTHER BUSINESS:** (in the case of CTI) carry on any category of business other than Permitted Business or one which is carried on at the date of this Agreement;
- (e) **CAPITAL EXPENDITURE:** incur capital expenditure in any financial year in excess of that which is included in such Subsidiary's budget for that year as approved in writing by all of the Shareholders;
- (f) **BANKING AND OTHER FINANCING FACILITIES:** enter into any banking or other financing facility (other than pursuant to the Finance Documents) or vary the terms of any banking or other financing facility;
- (g) **GUARANTEES AND INDEMNITIES:** give any guarantee or indemnity in respect of the obligations of any other person (other than a wholly-owned Subsidiary provided that such guarantee or indemnity is expressly contemplated by the Business Plan or the Finance Documents);
- (h) **CREATION OF SECURITY:** create any mortgage, charge, lien (other than a lien arising in the ordinary course of trading) or encumbrance on any assets (other than pursuant to the Finance Documents);
- (i) **LENDING OF MONEY:** lend any money to any other person (other than to the Company);
- (j) **JOINT VENTURE ARRANGEMENTS:** enter into any arrangements which constitute a partnership or joint venture with any other person or persons;
- (k) **LITIGATION:** commence or settle any litigation involving a claim exceeding (Pounds)500,000;
- (l) **SUBSIDIARY'S CONSTITUTION:** make any alteration to any Subsidiary's memorandum or articles of association.
- (m) **WINDING UP:** pass any resolution for winding up;
- (n) **RECEIVER OR ADMINISTRATOR:** apply for the appointment of a receiver or an administrator;
- (o) **DIVIDENDS:** declare, make or pay any dividend (interim or final) save to the extent needed to fund the payment of dividends on Preference Shares (but subject always to the terms of the Finance Documents), and save also in respect of dividends of amounts which would not (if paid) unreasonably deplete the financial resources of the relevant Subsidiary having regard to the actual and prospective obligations, commitments and planned or budgeted expenditure of the CTSH Group provided always that the payment of such dividends is permitted by the terms of the Finance Documents (it being agreed that the Shareholders will use their best endeavours to ensure that the Company will make any such dividends in a tax efficient manner for each Shareholder);
- (p) **BUSINESS PLAN:** reorganise or change the nature or scope of its business from that as set out in the Business Plan (as amended from time to time in accordance with clause 8.1);
- (q) **INCENTIVE SCHEMES:** establish, approve or make any amendment or variation to any cash incentive or cash bonus scheme in relation to any employee of the Company or any

Subsidiary provided that (i) neither CCIC nor TdFI shall unreasonably withhold their consent to the establishment or implementation of cash incentive or cash bonus schemes of a type which are currently or have in the past been operated by members of the CTSH Group in accordance with reasonable business principles for the benefit of employees of the Company or its Subsidiaries and (ii) it is acknowledged and agreed that the remuneration of employees of the Company or its Subsidiaries may continue to be determined and increased in a manner consistent with past practices of the Company and its Subsidiaries in accordance with reasonable business principles ;

- (r) PUBLIC OFFERINGS: take any step to obtain a listing or quotation for any Shares or any shares of a Subsidiary on any stock exchange, over-the-counter market or other trading association with a view to offering any Shares or any shares of a Subsidiary for sale to the public; and
- (s) OPERATING AGREEMENT: make any amendment to the Operating Agreement, other than an amendment of a formal, minor or technical nature.

6.3 MATTERS REQUIRING CONSENT OF PARTICULAR SHAREHOLDER

The Shareholders shall exercise all voting and other powers of control available to them (directly or indirectly) in relation to the Company so as to procure (insofar as they are able by the exercise of such rights and powers) that neither the Company nor any Subsidiary shall do or permit or suffer to be done any act or thing which will cause the rights of any Shareholder (in that Shareholder's capacity as a holder of the Company Shares) to be adversely affected in a manner not applicable to all Shareholders, without such Shareholder's written consent.

- 6.4 Each Shareholder agrees that it will procure that entities comprised within it, its Affiliates and Permitted Transferees shall together ensure that one entity shall at all times be authorised to exercise the rights of that Shareholder under this Agreement. The identity of such entity for the time being shall be notified to all other Shareholders.
- 6.5 Notwithstanding any other provisions of this Agreement neither the Company nor any Subsidiary shall issue any share capital or other securities convertible or exchangeable into share capital if the consequence of such issue would be that (i) the BBC would thereby become entitled to terminate the Analogue Transmission Contract pursuant to 13.5 thereof or the Digital Transmission Contract pursuant to clause 12.7 thereof (unless the BBC shall have first confirmed in writing that it will not exercise its right of termination in consequence of such issue), (ii) any licence held by the Company or any Subsidiary under the Telecommunications Act 1984 or the Wireless Telegraphy Act 1949 would thereby become capable of being terminated or revoked in accordance with its terms unless the relevant regulator shall have first confirmed in writing that the relevant licence will not be terminated in consequence of the proposed issue (iii) either CCIC or TdFI would thereby be in breach of the Commitment Agreement (unless the BBC shall have first consented to the transfer in accordance with the terms of the Commitment Agreement) or (iv) CCIC and TdFI would cease to hold the same percentage of Company Shares as they did immediately prior to such issue at the date of this Agreement being 80 and 20 per cent respectively.
- 6.6 If either of the Shareholders shall refuse to give its agreement in respect of any matter for which its consent is required under clause 6.1 or 6.2 or if that Shareholder's nominated Directors shall vote against, or abstain in respect of, a resolution put to the Board of Directors of the Company or any of its Subsidiaries, then the other Shareholder (notwithstanding the terms of the Operating Agreement) shall be entitled to pursue the transaction to which that matter or resolution relates in its own right and for its own account free from any duty or obligation to any company in the CTSH Group or any of their respective shareholders.
- 6.7 The rights of the Directors of the Company nominated by CCIC referred to in clauses 3.4(c) and (e), and 5.3(a) and (d) cease to be rights of such Directors and shall become rights of all of the Directors of the Company, upon CCIC ceasing to be the Controlling Shareholder.

7. GUARANTEES TO THIRD PARTIES

No Shareholder shall be under any obligation to give any guarantee or indemnity or the like on behalf of the Company or any Subsidiary.

8. ANNUAL BUDGET

The Shareholders shall exercise all voting and other powers of control available to them directly or indirectly in relation to the Company so as to procure (insofar as they are able by the exercise of such rights and powers) that, not less than 90 days before the beginning of each Financial Year, the Company shall draw up an annual budget for the Financial Year next following in such format as the Shareholders shall prescribe from time to time (but to include a capital expenditure forecast and a cashflow forecast) and shall submit each such annual budget and any proposed amendments to the Business Plan for review and approval to each Shareholder which is Qualified. Each such annual budget and proposed amendments to the Business Plan shall be subject to the approval of each Shareholder which is Qualified. Each such Shareholder undertakes to the other Shareholders to act in good faith when reviewing each such annual budget and proposed amendments to the Business Plan and subject always to its rights under clauses 6.1(b) and 6.2(d) undertakes not unreasonably to withhold its approval of such document.

9. TRANSFERS

9.1 NO TRANSFERS

Unless prior consent in writing is obtained from each Shareholder which is Qualified or except as provided in clauses 9.2 or 9.4 to 9.9 or as contemplated by the Governance Agreement (but in any case subject to clauses 9.3 and 9.12) no Shareholder may sell, transfer, mortgage, charge or otherwise dispose of all or any of its Company Shares or any legal or beneficial interest therein or any rights to subscribe therefor.

Notwithstanding the provisions in clauses 9.1 but subject to clauses 9.3 and 9.12, any Shareholder may transfer its holding of, or beneficial interest in, Company Shares to a person who is an Affiliate of the transferor at the date hereof, provided that (a) as a condition of each of the permitted transfers, the transferee shall be required to comply with clause 9.12, (b) where Company Shares have been transferred from a Shareholder to an Affiliate and subsequently the transferee ceases to be an Affiliate of that Shareholder, then the Shareholder concerned shall procure that such Affiliate shall forthwith transfer such Company Shares back to the original Shareholder and (c) each Shareholder agrees not to effect transfers or changes in such Shareholder's Group in such a manner as to frustrate the intent of this clause 9.2, which is to permit transfers only to and holdings by related persons and entities. For the purposes of clauses 9.4 to 9.9 reference to TdFI shall be deemed to include TdFI and its Affiliates and Permitted Transferees and to CCIC shall be deemed to include CCIC and its Affiliates and Permitted Transferees.

9.3 CHANGE OF CONTROL AND STAPLING

Notwithstanding any other provisions of this Agreement:

- (a) no Shareholder shall be entitled to transfer or otherwise dispose of an interest in any Company Shares if the consequence of such transfer or disposal would be that (i) the BBC would thereby become entitled to terminate the Analogue Transmission Contract pursuant to clause 13.5 thereof or the Digital Transmission Contract pursuant to clause 12.7 thereof (unless the BBC shall have first confirmed in writing that it will not exercise its right of termination in consequence of such transfer or disposal), (ii) any licence held by the Company or any Subsidiary under the Telecommunications Act 1984 or the Wireless

Telegraphy Act 1949 would thereby become capable of being terminated or revoked in accordance with its terms unless the relevant regulator shall have confirmed in writing that the relevant licence will not be terminated in consequence of the proposed transfer or disposal or (iii) either CCIC or TdFI would thereby be in breach of the Commitment Agreement (unless the BBC shall have first consented to the transfer in accordance with the terms and conditions of the Commitment Agreement); and

- (b) at any time prior to the conversion of Preference Shares into Ordinary Shares (as contemplated by clause 2.2(a), Company Shares may only be transferred or otherwise disposed of in tranches of 1,000 Company Shares, comprising 1 Ordinary Share and 999 Preference Shares (or, following the redemption of any Preference Shares, in such proportion as the aggregate number of Ordinary Shares then in issue bears to the aggregate number of Preference Shares then in issue).

9.4 PRE-EMPTION RIGHTS

- (a) A Shareholder may transfer its Shares and Warrants at any time after whichever is the later of (i) the second anniversary of this Agreement or (ii) the expiry of the period for the completion of the TDF Put Right or, as the case may be, the Company Call Right, in accordance with the provisions of this clause 9.4. Subject to clauses 9.2, 9.3, 9.5 and 9.12, if a Shareholder (for the purposes of this clause 9.4, the "SELLING SHAREHOLDER") wishes to transfer all (but not part of) its Shares and Warrants in the Company (collectively the "VENDOR INTEREST") it shall give to the other Shareholder notice in writing of such desire (for the purposes of this clause 9.4 a "TRANSFER NOTICE"). A Selling Shareholder may only serve a Transfer Notice if it has first agreed (on a subject to contract basis) the material terms relating to that transfer (including a cash price) for the Vendor Interest with a bona fide third party purchaser. A Transfer Notice shall specify the name of the person (the "PROPOSED PURCHASER") to whom the Selling Shareholder proposes to transfer the Vendor Interest (any shares comprised in the Vendor Interest being for the purposes of this clause 9.4 referred to as the "SALE SHARES" and, as applicable, any Warrants referred to as "SALE WARRANTS") and the cash price per Sale Share and, as applicable, the cash price per Sale Warrant at which the Selling Shareholder proposes to so transfer (the "SALE PRICE").
- (b) If the other Shareholder shall give notice to the Selling Shareholder that it wishes to purchase the Sale Shares and, as applicable, the Sale Warrants at the Sale Price on or before the date which falls 30 days after such notice (the date on which the other Shareholder gives such notice being referred to as the "ACCEPTANCE DATE") of the date of receipt of the Transfer Notice by the other Shareholder, the Selling Shareholder shall be bound upon receipt of the Sale Price to transfer the Sale Shares and, as applicable, Sale Warrants to the other Shareholder and the other Shareholder shall be bound to purchase the Sale Warrants at the Sale Price.
- (c) If the other Shareholder shall notify the Selling Shareholder that it is not willing to purchase all of the Sale Shares and, as applicable, the Sale Warrants at the Sale Price pursuant to the foregoing provisions of this clause 9.4 or the other Shareholder fails to give notice to the Selling Shareholder in accordance with clause 9.4(b), then in the event that the Selling Shareholder wishes to transfer the Sale Shares and, as applicable, the Sale Warrants the Selling Shareholder shall not be obliged to sell any of the Sales Shares or, as applicable, the Sale Warrants to the other Shareholder and shall, subject to clause 9.5, be at liberty at any time within 6 months after the Acceptance Date to sell and transfer all (but not part of) the Sale Shares and, as applicable, the Sale Warrants to the person whose name was specified in the Transfer Notice at a cash price not being less than the Sale Price.
- (d) Subject to clause 9.4(e), the closing of any sale of Sale Shares and, as applicable, Sale Warrants pursuant to this clause 9.4 shall, subject to the satisfaction of the conditions precedent set out in Schedule 2, take place on any Business Day within 6 months after the Acceptance Date as nominated by the Selling Shareholder (or, if later, such date which is the second Business Day after the date on which such conditions shall have been satisfied) at a time and place specified by the Selling Shareholder by not less than 14 days' notice in writing. On the closing date, the

Selling Shareholder shall deliver (i) duly executed transfers in respect of such Sale Shares and, as applicable, Sale Warrants and the share and, as applicable, warrant certificate(s) in respect thereof (which Sale Shares and Sale Warrants shall be sold free and clear of any Liens) and (ii) such other documents, including evidence of ownership and authority, as the other Shareholder may reasonably request, against which the other Shareholder shall pay the Sale Price. In connection with such closing, the Selling Shareholder and the other Shareholder shall also provide such other customary closing certificate and opinions as the other Shareholder or, as the case may be, the Selling Shareholder may reasonably request.

The sale of any shares under the above provisions of this clause shall comprise the entire legal and beneficial ownership of the Sale Shares and, as applicable, Sale Warrants in question with a full title guarantee covenant.

- (e) Notwithstanding clause 9.4(d), if CCIC is not the Selling Shareholder, CCIC shall, at its option, be entitled to discharge the Sale Price by issuing to the Selling Shareholder (instead of cash) such number of shares of Common Stock (the "TDFI PRE-EMPTION SHARES") as have an aggregate price equal to the Sale Price divided by the weighted average price per share of Common Stock over the five trading days on the principal stock exchange on which such Common Stock was traded immediately preceding the closing of the sale of the Sale Shares and the Sale Warrants (discounted by 15 per cent.). If CCIC so elects, CCIC shall deliver to TdFI at the closing of the sale of the Sale Shares and the Sale Warrants the TdFI Pre-emption Shares (and certificates in respect thereof) registered in the name of TdFI (or, as it may require, its nominees or Affiliates). The provisions of clause 9.7(e) and (d) shall apply, mutatis mutandis, in respect of the TdFI Pre-emption Shares.

9.5 TAKE ALONG RIGHTS

- (a) Subject to clauses 9.2 and 9.3, no sale or transfer (whether by one or by a series of transactions) to a person or its Affiliates or anyone acting in concert with that person of any Shares and, as applicable, Warrants (the "SPECIFIED SHARES") in the Company held by a Selling Shareholder (as defined in clause 9.4) (other than a sale or transfer to a Shareholder) shall be made or registered without the prior consent of the other Shareholder unless, before such sale or transfer is made, the proposed transferee has irrevocably and unconditionally offered to purchase all of the Shares and, as applicable, Warrants in the Company held by the other Shareholder for the time being at the Specified Price and otherwise on the same terms (including as to the time of completion and the manner of payment) as the proposed transferee has offered to purchase the Specified Shares.
- (b) In this clause 9.5, the expression the "SPECIFIED PRICE" shall mean a consideration for each of the Shares and Warrants at least equal to the aggregate of that offered or paid or payable by the proposed transferee for each of the Specified Shares. For the purposes of this clause, the consideration payable for such of the Specified Shares shall include any amount received or receivable by the holder of the Specified Shares which, having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or payable for each of the Specified Shares and, in the event of any disagreement about the calculation of the Specified Price, its calculation shall be referred to the auditors of the Company within seven days of the dispute arising (acting as experts and not as arbitrators) whose decision with respect to the Specified Price shall be final and binding on the parties. The parties shall give all reasonable assistance to the auditors of the Company in verifying the Specified Price, including, without limitation, the disclosure of all relevant documentation containing the terms of the transaction relating to the proposed sale of the Specified Shares.
- (c) The sale of any Shares and Warrants under the above provisions of this clause shall comprise the entire legal and beneficial ownership of the Shares and Warrants in question, with a full title guarantee covenant.

9.6 TDFI'S RIGHTS ON CHANGE OF CONTROL

- (a) CHANGE OF CONTROL

- (i) CCIC agrees that if the TDF Rollup shall not have been consummated on or prior to the second anniversary of the date of this Agreement or, if earlier, if TdFI shall cease to be Qualified (as determined in accordance with the Governance Agreement) TdFI shall have the option to require CCIC to acquire all, but not less than all, of the Shares and the Warrants legally or beneficially owned or held by TdFI (the "TDFI INTEREST") for cash in an amount equal to the Fair Market Value (as determined in accordance with the procedures set forth in clause 9.6(b)) of the TdFI Interest at any time in the event of a Change of Control (the "CHANGE IN CONTROL OPTION").
- (ii) The Change of Control Option may be exercised by TdFI serving written notice (a "CHANGE OF CONTROL NOTICE") within 45 days of TdFI becoming aware on reasonable grounds of a Change of Control in accordance with clause 28.
- (b) The valuation procedures referred to in clause 9.6(a) shall be as follows. Each of CCIC and TdFI shall negotiate in good faith to determine the Fair Market Value per share and per warrant of the TdFI Shares Interest (the "CTSH PER SHARE/WARRANT VALUE") within 30 days following the delivery by TdFI to CCIC of the Change of Control Notice. If CCIC and TdFI do not agree on a CTSH Per Share/Warrant Value within such 30 day period, they shall, within three days, appoint an independent investment banker of international stature with its principal office in New York City (the "APPRAISER") and shall provide such Appraiser with their respective written determinations of the CTSH Per Share/Warrant Value. Such Appraiser shall then choose (taking into account all relevant factors but no discount shall be applied as a result of the termination or potential termination of the BBC Contracts), as between the written determinations of the CTSH Per Share/Warrant Value provided by CCIC and TdFI to the Appraiser, the CTSH Per Share/Warrant Value which most closely approximates, in the expert opinion of the Appraiser, the Fair Market Value per Share and per Warrant of the TdFI Interest as of the Option Exercise Date. If the parties are unable to agree on the selection of such Appraiser within such three-day period, they shall on such third day so notify the Chairman of the New York Stock Exchange, Inc., who shall, within five days of such notification, appoint an investment banker meeting the qualifications set forth above to serve as the Appraiser. In any case, the Appraiser shall make its decision with respect to the CTSH Per Share/Warrant Value within ten days of the date of its engagement and must choose (taking into account all relevant factors but no discount shall be applied as a result of the termination or potential termination of the BBC Contracts) a CTSH Per Share/Warrant Value presented by either of CCIC or TdFI pursuant to their respective written determinations (i.e. such Appraiser may not select a different value). The fees and expenses of the Appraiser shall be paid by CCIC.

9.7 TDFI EXIT RIGHT

- (a) CCIC agrees that at any time after the earlier to occur of (i) the second anniversary of the date of this Agreement or (ii) TdFI ceasing to be Qualified for the purposes of the Governance Agreement, TdFI shall have the right at any time in its sole discretion, so long as the CTSH Option shall not have been consummated, (the "TDFI EXIT RIGHT"), upon not less than six months' notice (the "TDFI EXIT NOTICE") by TdFI to CCIC, to require CCIC to purchase all, but not less than all, of the Shares and Warrants legally or beneficially owned or held by TdFI ("the TDFI INTEREST") in exchange for, in CCIC's sole discretion, (i) that number of shares of Common Stock (the "TDFI EXIT SHARES") as have an aggregate price equal to the Fair Market Value (as determined in accordance with the procedures set forth in clause 9.7(e)) of the TdFI Interest divided by the weighted average price per share of Common Stock over the five trading days on principal stock exchange on which traded immediately preceding the closing of the TdFI Exit Right pursuant to clause 9.7(e) (discounted by 15 per cent.), or (ii) cash in an amount equal to such Fair Market Value (determined as aforesaid) of the TdFI Interest.
- (b) The closing of the TdFI Exit Right shall, subject to the satisfaction of the conditions precedent set forth in Schedule 2, take place on any Business Day within 6 months after the date on which CCIC shall have received the TdFI Exit Notice (or, if later, such date which is the second Business Day after the date on which such conditions shall have been satisfied), at a date, time and place specified by CCIC or such other date, time and place as may be agreed to by TdFI and CCIC. On

the closing date of the TdFI Exit Right, CCIC shall deliver or, as the case may be, pay to TdFI, against delivery of (i) duly executed transfers in respect of the Shares and Warrants legally or beneficially owned or held by TdFI and the share or warrant certificate(s) in respect thereof (which Shares and Warrants TdFI undertakes to sell free and clear of all Liens) and (ii) such other documents, including evidence of ownership and authority, as CCIC may reasonably request, the TdFI Exit Shares (and certificates in respect thereof) registered in the name of TdFI (or, as it may require, its nominees or Affiliates) or, as the case may be, an amount in cash equal to the Fair Market Value of the TdFI Interest (by unconditional and irrevocable credit to such bank account as TdFI may specify for such purpose). In connection with such closing, CCIC and TdFI shall also provide such other customary closing certificates and opinions as TdFI or CCIC, as appropriate, may reasonably request.

- (c) All TdFI Exit Shares to be issued pursuant to any exercise of the TdFI Exit Right shall be issued as fully paid and free from all Liens and shall carry all rights, benefits and advantages attached to the Common Stock except any right with a record date prior to the date of issue of the TdFI Exit Shares including, without limitation, the right to any dividend declared but not paid.
- (d) If TdFI shall receive Common Stock pursuant to clause 9.7(b)(i) in respect of its exercise of the TdFI Exit Right, the Company shall grant TdFI demand registration rights (the "DEMAND RIGHTS") comparable to those set forth in Section 4.02 of the Stockholders Agreement with respect to such Common Stock and "tag along" rights comparable to those set out in section 5.02 in the Stockholders' Agreement with respect to such Common Stock. TdFI shall on a disposal of such Common Stock pursuant to the aforementioned Demand Rights appoint an underwriter reasonably satisfactory to CCIC.
- (e) The valuation procedures referred to in clause 9.7(b) shall be as follows. Each of CCIC and TdFI shall negotiate in good faith to determine the Fair Market Value per share and per warrant of the TdFI Interest (the "CTSH PER SHARE/WARRANT VALUE") within 30 days following the delivery by TdFI to CCIC of the TdFI Exit Notice. If CCIC and TdFI do not agree on a CTSH Per Share/Warrant Value within such 30 day period, they shall, within three days, appoint an independent investment banker of international stature with its principal office in New York City (the "APPRAISER") and shall provide such Appraiser with their respective written determinations of the CTSH Per Share/Warrant Value. Such Appraiser shall then choose (taking into account all relevant factors), as between the written determinations of the CTSH Per Share/Warrant Value provided by CCIC and TdFI to the Appraiser, the CTSH Per Share/Warrant Value which most closely approximates, in the expert opinion of the Appraiser, the Fair Market Value per Share and per Warrant of the TdFI Interest as of the closing of the TdFI Exit Right. If the parties are unable to agree on the selection of such Appraiser within such three-day period, they shall on such third day so notify the Chairman of the New York Stock Exchange, Inc., who shall, within five days of such notification, appoint an investment banker meeting the qualifications set forth above to serve as the Appraiser. In any case, the Appraiser shall make its decision with respect to the CTSH Per Share/Warrant Value within ten days of the date of its engagement and must choose (taking into account all relevant factors) a CTSH Per Share/Warrant Value presented by either of CCIC or TdFI pursuant to their respective written determinations (i.e. such Appraiser may not select a different value). The fees and expenses of the Appraiser shall be paid by CCIC.
- (f) The sale of any Shares and Warrants under the above provisions of this clause shall comprise the entire legal and beneficial interest of the Shares and the Warrants in question, with a full title guarantee covenant.

9.8 CCIC DEADLOCK RIGHT

- (a) Subject to clause 9.3 and provided that the TdF Rollup shall not have been consummated, TdFI agrees that CCIC shall have the right (the "CCIC DEADLOCK RIGHT") to require TdFI to sell all, but not less than all, of the TdFI Interest in exchange for cash in an amount equal to the Fair Market Value of the TdFI Interest determined in accordance with the procedures set out in clause 9.7(e). The CCIC Deadlock Right may be exercised on one occasion only but shall not be exercisable unless the following conditions shall have been satisfied:
- (i) a period of three years shall have elapsed from the date of this Agreement; and
 - (ii) in any consecutive period of six months following the third anniversary of this Agreement, TdFI shall on three separate occasions have refused to give its agreement in respect of a matter or matters relating to Permitted Business or permitted by the Operating Agreement of the type described in clause 6.1(a), (f), (g), (h), (i), (j) or (k) or clause 6.2(a), (f), (g), (h), (i), (j) or (p) in each case relating to any matter or thing relating to Permitted Business and/or as permitted by the Operating Agreement in circumstances in which CCIC has given its agreement and in which the matters in question have been proposed in good faith; and
 - (iii) TdFI has not elected to withdraw the latest veto giving rise to the Deadlock Right within 14 Business Days after receipt of the CCIC Deadlock Right Notice (and during which period TdFI and CCIC agree to negotiate in good faith with respect to the matter concerned with a view to reaching agreement or a mutually acceptable compromise with respect to such matter).

The CCIC Deadlock Right shall only be exercisable by CCIC serving on TdFI a written notice (the "CCIC DEADLOCK RIGHT NOTICE") stating its intention to exercise such right unless TdFI withdraws the latest veto giving rise to the Deadlock Right within 14 Business Days after receipt of such notice, and only so long as such notice is served on TdFI within 14 Business Days after condition (ii) above has been satisfied.

- (b) The closing of the CCIC Deadlock Right shall, subject to satisfaction of the conditions precedent set out in Schedule 2, take place on the tenth Business Day after the date on which TdFI gives notice to CCIC of its election not to withdraw the latest veto or if no such notice is given the latest day on which TdFI has the right to withdraw such veto under clause (a) above (or, if later, such date which is the second Business Day after the date on which each of such conditions shall have been satisfied), at a time and place specified by CCIC as such notice or such other date, time and place as may be agreed by CCIC and TdFI. On the closing date of the CCIC Deadlock Right, CCIC shall pay to TdFI, against delivery of (i) duly executed transfers in respect of the Shares and Warrants legally or beneficially held by TdFI and the share and warrant certificate(s) in respect thereof (which Shares and Warrants TdFI undertakes to sell free and clear of all Liens) and (ii) such other documents, including evidence of ownership and authority, as CCIC may reasonably request, an amount in cash equal to the Fair Market Value of the TdFI Interest (by unconditional and irrevocable credit to such bank account as TdFI may specify for such purpose). In connection with such closing, CCIC and TdFI shall also provide such other customary closing certificates and opinions as TdFI or, as the case may be, CCIC may reasonably request.
- (c) The sale of any Shares and Warrants under the above provisions of this clause shall comprise the entire legal and beneficial interest of the Shares and the Warrants in question, with a full title guarantee covenant.

9.9 CCIC SHOTGUN RIGHT

- (a) Provided that the TdF Rollup shall not have been consummated, CCIC may (i) by not more than 90 and not less than 60 days' notice in writing, expiring on the fifth anniversary of the date of this Agreement or (ii) at any time within 45 days of CCIC becoming aware on reasonable grounds of a

TdFI Change of Control (in each case, the "SHOTGUN NOTICE") offer to TdFI to acquire the TdFI Interest, in the case of (a)(i), on the fifth anniversary of the date of this Agreement (or, if such day is not a Business Day, the first Business Day thereafter) or, in the case of (a)(ii), on the forty-fifth day after the date of the Shotgun Notice. Such Shotgun Notice shall specify the cash price per Share and per Warrant at which the offer is made and shall request TdFI to notify CCIC in writing within 30 days from the date of the Shotgun Notice:

- (i) whether or not TdFI is willing to sell the TdFI Interest; and
 - (ii) (if TdFI is not so willing) that TdFI (by itself or together with any other person or persons) is willing to acquire from CCIC all the Shares and Warrants for the time being held by CCIC at the same price per Share and per Warrant as is specified in the Shotgun Notice.
- (b) If, after the expiry of the 30 day period referred to in clause 9.9(a), TdFI shall not have given any notice in writing to CCIC in the form required by clause 9.9(a), TdFI shall be deemed to have accepted the offer made by CCIC and shall be bound to sell the TdFI Interest at the price specified in the Shotgun Notice on the date for completion specified in clause 9.9(a).
 - (c) If TdFI gives notice to CCIC of its willingness to sell the TdFI Interest (as contemplated by clause 9.9(a)(i)), TdFI shall be bound to sell the TdFI Interest at the price specified in the Shotgun Notice given by CCIC on the date for completion specified in clause 9.9(a).
 - (d) If TdFI gives notice (the "TDFI NOTICE") to CCIC of its willingness to purchase all the Shares and Warrants then held by CCIC (as contemplated by clause 9.9(a)(ii)), CCIC shall be bound to sell such Shares and Warrants at the price specified in the Shotgun Notice on the date for completion specified in clause 9.9(a).
 - (e) The closing of any sale of Shares and Warrants pursuant to this clause 9.9 shall, subject to the satisfaction of the conditions precedent set out in Schedule 2 to this Agreement, take place at a time and place specified by CCIC, if CCIC is the purchaser, or by TdFI, if TdFI is the purchaser, by not less than 15 days' notice in writing. On the closing date, the Shareholder which is obliged to sell its Shares and Warrants shall deliver (i) duly executed transfers in respect of such Shares and Warrants and the share and warrant certificate(s) in respect thereof (which Shares and Warrants shall be sold free and clear of any Liens) and (ii) such other documents, including evidence of ownership and authority, as the purchaser may reasonably request, against which the purchaser shall pay the price specified in the notice given by CCIC pursuant to clause 9.9(a). In connection with such closing, CCIC and TdFI shall also provide such other customary closing certificates as TdFI or, as the case may be, CCIC may reasonably request.
 - (f) The sale of any Shares and Warrants under the above provisions of this clause shall comprise the entire legal and beneficial interest of the Shares and Warrants in question, with a full title guarantee covenant.

9.10 OTHER OPTIONS

For the avoidance of doubt, the Shareholders confirm that the rights contained in Section 5 of the Governance Agreement are additional to those set out in this Agreement.

9.11 LEGENDS ON SHARE CERTIFICATES

All certificates representing Company Shares shall bear the following legend:

"The shares represented by this Certificate are subject to an agreement among Castle Transmission Services (Holdings) Limited and its shareholders which, inter alia, restricts transfer of these shares and in some circumstances requires the transfer of these shares. Any transfer in violation of that agreement will be void, and any transferee is required to become party to that agreement."

9.12 ADMISSION OF SHAREHOLDERS

No Shareholder may transfer any Company Shares to any person unless such person has first executed and delivered to the other Shareholder a deed of adherence in the form set out in Schedule 1.

9.13 The Company shall have no obligation to register the transfer of any Company Shares if the proposed transfer does not comply with the provisions of this clause 9.

9.14 TdFI and CCIC each undertake to the other to use all reasonable endeavours to obtain any consents or approvals required to give effect to the provisions of this clause 9 and agree not to take any steps which may adversely affect the prospects of obtaining any such consents or approvals.

10. SERVICES AGREEMENT WITH TDF; WARRANTS; OPERATING AGREEMENT

10.1 SERVICES AGREEMENT

Each Shareholder shall, in its capacity as shareholder of the Company, pass resolutions and procure the passing of resolutions by the Directors of CTI and do everything else necessary (in each case, so far as they are able by the exercise of their rights and powers as Shareholders so to pass, procure and/or do) to cause CTI immediately following Completion to enter into and thereafter to perform its obligations under a services agreement in the agreed form between CTI and TeleDiffusion de France, S.A. TdFI undertakes immediately following Completion to procure that TeleDiffusion de France, S.A. shall enter into and thereafter perform its obligations under the TDF Services Agreement.

10.2 WARRANTS

Each Shareholder shall, in its capacity as shareholder of the Company, pass resolutions and procure the passing of resolutions by the Directors of the Company and do everything else necessary (in each case, so far as they are able by the exercise of their rights and powers as Shareholders so to pass, procure and/or do) to cause the Company to execute and thereafter perform its obligations under the Warrant Documentation provided always that TdFI may not exercise its Warrants if the effect would be to cause TdFI to have an interest in more than 20 per cent. of the Company Shares and CCIC may not exercise its Warrants if the effect would be to cause TdFI to have an interest in less than 20 per cent. of the Company Shares.

10.3 OPERATING AGREEMENT

Each Shareholder shall, in its capacity as shareholder of the Company, pass resolutions and procure the passing of resolutions by the Directors of the Company and CTI and do everything else necessary (in each case, so far as they are able by the exercise of their rights and powers as Shareholders so to pass, procure and/or do) to cause the Company and CTI on Completion to execute and thereafter perform its obligations under the Operating Agreement.

11. SPECIFIC PERFORMANCE

11.1 The Company Shares cannot be readily purchased or sold in the open market, and for that reason, among others, the Company and the Shareholders will be irreparably damaged in the event that this Agreement is not specifically enforced. Accordingly each Shareholder and the Company agree that specific performance and injunctive relief would be appropriate remedies in the event of any breach or threatened breach of this Agreement. Without limiting the generality of the foregoing, should any controversy arise concerning a sale or disposition of any Company Shares, an injunction may be issued restraining any sale or disposition pending the determination of such controversy, and the resolution thereof shall be enforceable in a court of equity by a decree of

specific performance. The remedies specified in this clause 12.1 shall be cumulative and not exclusive, and shall be in addition to any other remedies which the parties may have.

11.2 Each party confirms to each other party that, for the purposes of entering into the transactions contemplated by this Agreement:

- (a) it has entered into such transactions entirely on the basis of its own assessment of the risks and effect thereof;
- (b) save as expressly set out in this Agreement is owed no duty of care or other obligation by any other party in respect thereof; and
- (c) in so far as it is owed any such duty or obligation as referred to in subparagraph (b) above (whether in contract, tort or otherwise) (save as expressly set out in this Agreement) by such other party it hereby waives, to the extent permitted by law, any rights which it may have in respect of such duty or obligation.

12. TERM

12.1 TERM

This Agreement shall continue in force until the date on which only one Shareholder remains as a party to this Agreement (in accordance with clause 12.2).

12.2 This Agreement shall cease and determine in respect of a Shareholder, upon that Shareholder ceasing to be Qualified. Upon TdFI ceasing to be Qualified after the TDF Rollup, TdFI shall transfer its remaining Ordinary Share to CCIC at par value and shall (a) deliver to CCIC a duly executed transfer in respect thereof and the share certificate therefor and (b) shall cause the directors nominated by TdFI to resign without compensation.

12.3 CERTAIN RIGHTS AND OBLIGATIONS TO SURVIVE

Termination of this Agreement shall in no way affect the operation of clauses 10, 11, 14, 20, 21, 22, 23, 25, 26, 27 and 28 or any rights of any Shareholder arising from any happening or event prior to the date of termination of this Agreement and any cause of action accruing prior to that date shall survive and be disposed of as though the provisions of this Agreement continued in full force and effect.

13. WARRANTIES

Each party warrants to the other parties as follows:

- (a) **POWER TO ENTER INTO AGREEMENT:** It has the legal right and power to enter into this Agreement and to consummate the transactions contemplated hereby on and subject to the terms and conditions of this Agreement, and the execution, delivery and performance of this Agreement by it has been duly and validly authorised and this Agreement is a valid and binding agreement enforceable in accordance with its terms.
- (b) **NO FURTHER AUTHORISATION:** No further authorisation, consent or approval of any person is required by or in relation to it as a condition to the validity of this Agreement or to give effect to the transactions contemplated hereby.

14. CONFIDENTIALITY

14.1 CONFIDENTIALITY

Subject as provided in clause 14.4 below, all matters relating to this Agreement and the negotiations relating to this Agreement and all information acquired or received by any party under or in connection with this Agreement shall be held confidential during the continuance of this Agreement, and each party agrees that it shall not divulge any such confidential information to any third party, without the prior written approval of all other Shareholders provided that any party may, without such approval, disclose such matters or information:

- (a) ASSIGNEES: to a bona fide intending assignee of such party upon obtaining a similar undertaking of confidentiality from such intending assignee;
- (b) PROFESSIONALS: to any outside professional consultants upon obtaining a similar undertaking of confidentiality from such consultants;
- (c) BANKS ETC.: to any bank or financial institution from whom such party is seeking to obtain finance, upon obtaining a similar undertaking of confidentiality from such bank or institution;
- (d) PUBLIC DOMAIN: to the extent that the same has become generally available to the public other than as a result of unauthorised disclosure by a party;
- (e) PARTNERS: in the case of a Shareholder which is a partnership, to the Shareholder's constituent partners; and
- (f) LAW/LISTING REGULATIONS: to persons or the general public if disclosure to such persons or the general public is required to comply with any applicable law or regulation of any country or the rules or regulations of the London Stock Exchange or any other exchange or market on which securities of a Shareholder or the parent corporation of a Shareholder are quoted, provided that any such information disclosed pursuant to this paragraph (f) shall be disclosed only after consultation with the other parties unless such consultation is prohibited or the time limits within which such disclosure must be made are such that consultation is impracticable.

14.2 EMPLOYEES ETC.

Each party shall use its reasonable endeavours to ensure that those of its employees, agents, contractors and partners who are at any time in possession of confidential information of a kind referred to in clause 16.1 and the employees, agents and contractors of the Company and each of the Subsidiaries do not disclose or suffer or permit the disclosure of the same.

14.3 THE COMPANY'S CONFIDENTIALITY OBLIGATION

The Company shall (and the Company shall procure that each of the Subsidiaries shall) observe a similar obligation of confidence in favour of each of the parties to this Agreement.

- 14.4 Any Shareholder may communicate any information received by it pursuant to this Agreement, and the Director nominated by it pursuant to clause 3.3(c) may communicate any information received by him pursuant to this Agreement or otherwise in his capacity as director of the Company, to that Shareholder. Any Shareholder may communicate any such information (other than information which relates to the business or affairs of a Shareholder or its Affiliates) to any company which is its subsidiary or holding company or a subsidiary of its ultimate holding company or to its manager or investment or other professional adviser or any person or persons on behalf of whom it holds Company Shares subject to the obligations set out in clause 14.2;

provided that nothing in this Agreement shall require such disclosure unless the Director's fiduciary duty to the Company or any of its Subsidiaries would be breached as a result.

15. PUBLIC ANNOUNCEMENTS

No party shall issue or make any public announcements or statement regarding this Agreement, the Company's or any Subsidiary's Business or its involvement in the Company or with any Subsidiary unless prior thereto such party furnishes all Shareholders with a copy of such announcement or statement and obtains the approval of the other Shareholders which approval shall not be unreasonably withheld provided that, notwithstanding any failure to obtain approval, no party shall be prohibited from issuing or making any such public announcement or statement if it is necessary to do so in order to comply with any applicable law or regulation of any country or the rules or regulations of the London Stock Exchange or any other exchange or market on which securities of a party are quoted, it being recognised, however that the parties will endeavour to ensure that any such public announcements or statements are made contemporaneously.

16. FURTHER ASSURANCES

The parties shall each execute and deliver such further and other documents and instruments and do such further and other things as may be necessary to implement and carry out the intent of this Agreement.

17. OTHER AGREEMENTS AMONG SHAREHOLDERS

17.1 NO EXISTING AGREEMENTS

Each of the Shareholders represents and warrants that as of the execution of this Agreement it is not party to any written or other enforceable agreement with any other Shareholder with respect to the subject matter of this Agreement, except for this Agreement.

17.2 DISCLOSURE OF FUTURE AGREEMENTS

Each of the Shareholders agrees that it will not enter into any written or other enforceable agreement with any other Shareholder with respect to the subject matter of this Agreement without first obtaining the prior written approval of all of the Shareholders.

17.3 COMPETITIVE BIDDING

Each of the Shareholders agrees that if it or any of its Affiliates bids or intends to bid for any contract or project in competition with the Company or CTI, then:

- (a) it will promptly disclose that fact to the other Shareholders; and
- (b) the Company, CTI and the other Shareholders will be entitled to withhold from that Shareholder and its Group and its nominated Director any confidential information relating to the proposed bid for that contract or project by the Company or CTI.

17.4 CONFLICTS INVOLVING A SHAREHOLDER

Each Shareholder agrees that neither it, any of its Affiliates, any of its Permitted Transferees nor its nominated Director will be entitled to participate in decisions (but shall be entitled to participate in discussions) of the Directors of the Company or any Subsidiary involving:

- (a) any claim or prospective legal proceedings by the Company or any Subsidiary against that Shareholder or any of its Affiliates;

- (b) any claim or prospective legal proceedings by that Shareholder or any of its Affiliates against the Company or any Subsidiary;
- (c) any bid by the Company or any Subsidiary for any contract or project in respect of which that Shareholder or any of its Affiliates intends to bid in competition with the Company or any Subsidiary; and
- (d) any transaction or proposed transaction between the Company or a Subsidiary and a Shareholder or an Affiliate of a Shareholder.

In relation to any of the circumstances set out in clause 17.4(a), (b), (c) or (d), the Company, any Subsidiary and the other Shareholders shall be entitled to withhold from that Shareholder and its Group and its nominated Director any confidential information relating thereto.

18. SUBSIDIARIES TO ACKNOWLEDGE AGREEMENT

The Shareholders (in their capacity as shareholders of the Company) and the Company will procure Subsidiaries to acknowledge the provisions hereof and to agree to be bound by the same to the extent applicable, by execution of deeds of adherence in a form approved by resolution of the Directors of the Company.

19. COMPLIANCE BY THE COMPANY AND SUBSIDIARIES

The Shareholders each undertake (in their capacity as Shareholders) to:

- (a) EXERCISE VOTING RIGHTS: exercise the voting rights attributable to the Company Shares which they hold; and
- (b) CAUSE DIRECTORS TO VOTE: cause the Directors of the Company and the directors of each of the Subsidiaries nominated by them respectively to vote,

to ensure that the Company and each of the Subsidiaries operate in accordance with the provisions of this Agreement and the Finance Documents and so as to give full effect to the terms of this Agreement and the Finance Documents.

20. MODIFICATION

No purported variation of this Agreement shall be effective unless made in writing and agreed by all the Shareholders.

21. EFFECT OF WAIVER

No waiver by any party of any default in the strict and literal performance or compliance with any provision, condition or requirement herein shall be deemed to be a waiver of strict and literal performance of and compliance with any other provision, condition or requirement herein nor to be a waiver of or in any manner release any other party from strict compliance with any provision, condition or requirement in the future. Nor shall any delay or omission by any party to exercise any right hereunder in any manner impair the exercise of any such right accruing to such party thereafter. Except when otherwise expressly stated therein, no remedy expressly granted herein to any party shall exclude or be deemed to exclude any other remedy which would otherwise be available.

22. PARTIAL INVALIDITY

If any of the provisions of this Agreement is or becomes invalid, illegal or unenforceable, the validity, legality or enforceability of the remaining provisions shall not in any way be affected or impaired. The parties shall nevertheless negotiate in good faith in order to agree the terms of a

mutually satisfactory provision, achieving as nearly as possible the same commercial effect to be substituted for the provision so found to be void or unenforceable.

23. IMPLIED RELATIONSHIPS

Nothing contained in this Agreement shall be deemed or constituted to constitute any party a partner, agent or representative of any other party or to create any trust or partnership. No party shall have the authority to act for or to incur any obligation on behalf of any other party except as expressly provided in this Agreement.

24. COSTS

Save as provided in the Share Exchange Agreement, all costs incurred by any party in connection with this Agreement shall be borne by that party.

25. AGREEMENT TO TAKE PRIORITY

In the event of any conflict between the provisions of this Agreement and, as the case may be, the provisions of the Company's Constitution or the memorandum and articles of association of any Subsidiary, the provisions of this Agreement shall take priority and apply to the exclusion of the relevant provisions of the Company's Constitution or the memorandum and articles of association of any Subsidiary, as the case may be. The parties shall exercise all voting and other rights and powers available to them so as to give effect to the provisions of this Agreement and shall also (if necessary) procure any required amendment to the Company's Constitution or the memorandum and articles of association of any Subsidiary as may be necessary. The parties agree that the rights of CCIC and TdFI under this Agreement, the Governance Agreement and the Stockholders Agreement are separate, cumulative rights independent of one another.

26. ENTIRE AGREEMENT

This Agreement (together with the Transaction Documents (as defined in the Share Exchange Agreement), the Financing Documents, the Services Agreement and the Operating Agreement) set out the entire agreement and understanding between the parties with respect to the subject matter hereof and supersedes any prior communication or correspondence with respect to the subject matter hereof. It is agreed that:

- (a) no party has entered into this Agreement in reliance upon any representation, warranty or undertaking of any other party which is not expressly set out or referred to in this Agreement;
- (b) no party shall have any remedy in respect of misrepresentation or untrue statement made by any other party unless and to the extent that a claim lies for breach of warranty under this Agreement;
- (c) this clause shall not exclude any liability for fraudulent misrepresentation.

27. GOVERNING LAW AND JURISDICTION

27.1 This Agreement shall be governed by and construed and interpreted in accordance with the laws of England.

27.2 Each of the Shareholders (for itself and on behalf of its respective holding and subsidiary companies and the directors, employees and agents of each of them) agrees that the English Courts shall have exclusive jurisdiction to hear and decide any and all claims, disputes, complaints, actions or proceedings ("CLAIMS OR PROCEEDINGS"), whether in contract or tort, which may arise at any time out of or in connection with any of the matters referred to in this Agreement, including, but not limited to, any Claim or Proceeding asserting dishonesty, improper or illegal conduct or breach of trust or

duty or based on the effects of any of those matters in any jurisdiction and any Claim or Proceedings which may be material to any of the Shareholders but of which any of the Shareholders is unaware or does not suspect exists and for this purpose each of the Shareholders irrevocably submits to the exclusive jurisdiction of the English Courts.

- 27.3 CCIC hereby irrevocably authorises and appoints Norose Notices Limited (AMC/99/Z865000) (for the attention of the Director of Administration) at the address of its registered office for the time being or such other person resident in England as it may by notice to all other parties substitute) to accept service of all legal process arising out of or connected with this Agreement and service on Norose Notices Limited (or such substitute) shall be deemed to be service on the party concerned.
- 27.4 TdFI hereby irrevocably authorises and appoints Fleetside Legal Representative Services Limited (for the attention of Denis Stewart) at the address of its registered office for the time being (or such other person resident in England as it may by notice to all other parties substitute) to accept service of all legal process arising out of or connected with this Agreement and service on Fleetside Legal Representative Services Limited (or such substitute) shall be deemed to be service on the party concerned.

28. NOTICES

All notices and other communications required or permitted under this Agreement shall be in writing and shall be delivered personally, sent by air courier (in the case of notices given by a party in one jurisdiction to a party in another), first class pre-paid post (in the case of a notices given by a party in one jurisdiction to a party in the same jurisdiction), telexed or sent by facsimile transmission (and promptly confirmed by air courier service in the case of notices sent from one jurisdiction to another and by first class pre-paid post in the case of notices sent by a party in one jurisdiction to another party in the same jurisdiction). Any such notice shall be deemed given when so delivered personally, telexed or sent by facsimile transmission or air courier or first class pre-paid post to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

CCIC: if to CCIC, to:

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

Attention: President
Fax 001 713 570 3150

With a copy to:

Norton Rose
Kempson House
Camomile Street
London EC3A 7AN

Attention: Alan Crookes
Fax: 0171 283 6500

TDFI: if to TdFI, to:

TeleDiffusion de France International, S.A.
10 rue d'Oradour-sur-Glane
Paris Cedex 15
75732 France

Attention: Michel Azibert
Fax: 00 331 5595 2066

With a copy to:

Allen & Overy
One New Change
London EC4M 9QQ

Attention: Michael Scargill
Fax: 0171 330 9999

THE COMPANY: if to the Company, to:

the Company at its registered office
Attention: Managing Director

29. RESTRICTIONS IN THE AGREEMENT

Notwithstanding any other provision of this Agreement (or any other agreement which, together with this Agreement, may form part of an agreement for the purposes of the Restrictive Trade Practices Act 1976 (together the "RTPA AGREEMENT")) the parties hereto agree that they will not give effect, and will procure that none of their subsidiaries shall give effect, to any restriction or restrictions contained in the RTPA Agreement which cause the RTPA Agreement to be registrable under the Restrictive Trade Practices Act 1976 until one day after particulars of the RTPA Agreement shall have been furnished to the Director General of Fair Trading.

30. COUNTERPARTS

This Agreement may, be executed in any number of counterparts with the same effect as if the signatures to each such counterpart were upon the same instrument.

IN WITNESS of which this Agreement has been executed.

SCHEDULE 1

DEED OF ADHERENCE

THIS DEED OF ADHERENCE is made on 199.

BETWEEN:

[insert name of New Shareholder] of [insert name of company] (the "NEW SHAREHOLDER") in favour of the persons whose names are set out in the schedule to this deed and is supplemental to the Shareholders' Agreement dated ., 199. between . and others (the "AGREEMENT").

THE PARTIES AGREE AS FOLLOWS:

1. The New Shareholder confirms that it has read a copy of the Agreement and covenants with each person named in the schedule to this deed to perform and be bound by all the terms of the Agreement as if the New Shareholder were named in the Agreement as [CCIC/TdFI] and there shall be substituted for all references in the Agreement to [CCIC/TdFI] references to the New Shareholder.
2. This deed is governed by English law.
3. [Include jurisdiction clause and agent for service clause in appropriate circumstances.]

IN WITNESS whereof this deed has been executed by the New Shareholder and is intended to be and is hereby delivered on the date first above written.

SCHEDULE 2

CONDITIONS PRECEDENT
TO PUT AND CALL RIGHTS

1. The delivery of all notices required by law or regulation in relation to the transaction and the expiry of all waiting or notice periods in relation to such notices;
2. The receipt of all governmental and other regulatory consents or notifications required in relation to the transaction, including, without limitation, where the grant or the exercise of any of the rights under clause 9 requires a notification to be made to the European Commission under the Merger Regulation (4064/89, as amended):
 - (a) the European Commission issuing a Phase I decision under Article 6(1)(a) or Article 6(1)(b) of the Merger Regulation and not making a decision under Article 9(1) thereof; or
 - (b) in respect of the United Kingdom, as follows:
 - (i) the Office of Fair Trading indicating in terms satisfactory to the parties, that it is not the intention of the Secretary of State to refer the acquisition of the shares to the UK Monopolies and Mergers Commission ("MMC") pursuant to the Fair Trading Act 1973; or
 - (ii) the Secretary of State accepting undertakings from the buyer of the shares in lieu of a reference of the said acquisition to the MMC as aforesaid;
3. The prior written consent of the BBC to the extent required in relation to the transaction under Analogue Transmission Contract, the Digital Transmission Contract, the Commitment Agreement and any other agreement containing substantially similar restrictions and any agreement amending or replacing the same; and
4. The receipt of any consent required under the Finance Documents in relation to the transaction or any agreement (whether or not with the same banks) amending, replacing or refinancing (in whole or in part) the same or any other agreement providing finance to the CTSB Group.

SIGNED for and on behalf of)
CROWN CASTLE INTERNATIONAL)
CORP.)
By)
in the presence of:)

SIGNED for and on behalf of)
TELEDIFFUSION DE FRANCE)
INTERNATIONAL S.A.)
By)
in the presence of:)

SIGNED for and on behalf of)
CASTLE TRANSMISSION SERVICES)
(HOLDINGS) LIMITED)
By)
in the presence of:)

SITE SHARING AGREEMENT

Between

NATIONAL TRANSCOMMUNICATIONS LIMITED
(NTL)

-and-

THE BRITISH BROADCASTING CORPORATION
(BBC)

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THIS SITE SHARING AGREEMENT dated as of
September 10, 1991 between National
Transcommunications Limited ("NTL") and The British
Broadcasting Corporation ("the BBC").

WHEREAS

1. The BBC is the Station Owner as hereinafter defined of the Stations listed in Part I of Schedule I hereto.

2. NTL as successor in title to the Independent Broadcasting Authority ("the IBA") is the Station Owner as hereinafter defined of the Stations listed in Part II of Schedule I hereto.

3. Since 1963 the BBC and the IBA have co-operated in the provision of masts, towers and other installations for Broadcasting by each one being permitted to use stations belonging to the other wherever appropriate in advancing the joint development of a national transmissions network, whether by the shared use of Accommodation and/or Equipment located at such stations or by the separate installation there of like facilities for exclusive use, such facilities being provided or installed under informal arrangements (hereinafter referred to as "the Existing Arrangements") and in consideration of such co-operation as aforesaid but otherwise without payment (save for contributions towards capital costs relating thereto).

4. By order of the Secretary of State made on 13th December 1990 NTL is the nominated company for the purposes of section 127(1) of the Broadcasting Act 1990. In accordance with and subject to the terms of the Independent Broadcasting Authority Transfer Scheme 1990 as made under schedule 9 to the Broadcasting Act 1990 on 13th December 1990 and approved by the Secretary of State on 13th December 1990, (the "Transfer Scheme") all property, rights, and liabilities of the IBA with regard to the provision of broadcasting transmission services and services related to such services vested in NTL on the 1st January 1991 (as defined in this agreement). The rights and liabilities of the IBA under the Existing Arrangements also vested in NTL on the 1st January 1991.

5. Under the Existing Arrangements, it was agreed that the BBC and the IBA would both participate in capital costs relating to Stations where shared accommodation and facilities are provided as mentioned in Recital (3), on the basis of certain agreed formulae.

6. Having regard to the capital costs actually discharged, and to contributions made or to be made by the BBC and the IBA up to 1st July 1991, the parties have agreed that an adjusting payment of (pound)78,464 (plus VAT if applicable) should be made by NTL to the BBC.

7. The parties have agreed to reduce to writing (including by means of Site Licences) the terms on which accommodation and facilities are provided, and to vary the Existing Arrangements (where necessary by way of disposal) so that the accommodation and the facilities shall in each case be provided in consideration of formal payments as herein provided and not informally on the basis of the mutual provision of facilities on similar terms.

IT IS HEREBY AGREED between the parties as follows:

Definitions and Interpretation

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1. The following definitions shall apply to this agreement, its recitals and the Schedules to this agreement unless specifically stated otherwise or save where the context otherwise requires:

Accommodation shall mean any Station Owner's land, buildings or parts of buildings and structures (including, without limitation, masts and towers) used to house or bear Equipment and/or generally used for, or for purposes ancillary to, the provision of Technical Services, situated at or adjacent to and serving a Station (including without limitation private access ways, paths and private roads in or leading to a Station).

Additional Site Notice shall have the meaning set out in Clause 7.2.

Ancillary Equipment miscellaneous technical items necessary for the installation, operation and interconnection of the Equipment.

Applicable Regulations shall have the meaning set out in Clause 14.2.2.

Broadcast Channels shall mean any of:

In the case of the BBC:

- (i) the BBC1 television broadcasting service;
- (ii) the BBC2 television broadcasting service;
- (iii) any BBC national radio sound broadcasting service; or
- (iv) any BBC local radio sound broadcasting service:

In the case of NTL:

- (i) the ITV system of television broadcasting services (as a whole)- until 1st January 1993;
- (ii) the Channel 3 system of television broadcasting services (as a whole) - from 1st January 1993;
- (iii) the Channel 4 television broadcasting service;
- (iv) the S4C television broadcasting service; or
- (v) any independent radio local sound broadcasting service:

and in each case, for the purposes of this agreement shall include teletext services or any other data transmission services and any additional services as defined under s.48(1) or s.114(1) of the Broadcasting Act 1990 from time to time included as part of the same transmission.

Broadcasting shall mean transmission by means of wireless telegraphy within the frequency bands allocated to broadcasting in the United Kingdom by the Department of Trade and Industry in consultation with the International Telecommunications Union.

Common Accommodation shall mean Accommodation, use of which is shared by the Station Owner (and/or any Licensee) and the Sharer (and/or any Sub-Licensee).

Common Equipment shall mean any Equipment, use of which is shared by the Station Owner (and/or any Licensee) and the Sharer (and/or any Sub-Licensee).

Compulsory Period shall have the meaning set out in Clause 10.8.2.

Due Date shall have the meaning set out in Clause 6.3.1.

Effective Date 1st July 1991.

Equipment shall mean any transmission equipment, antennas, plant, cables, wires, and apparatus or any other equipment used for or ancillary to Technical Services.

Exclusive Accommodation shall mean either:

(a) in relation to the Station Owner, Accommodation used exclusively by it and/or any Licensee; or

(b) in relation to the Sharer, Accommodation which is or has been constructed by

or for the Sharer or otherwise made available exclusively for the Sharer and/or any Sub-Licensee.

Exclusive Equipment shall mean either:-

(a) in relation to the Station Owner, the Equipment owned and used exclusively by it and/or any Licensee; or

(b) in relation to the Sharer, the Equipment owned and used exclusively by it and/or any Sub-Licensee.

Existing Arrangements shall have the meaning set out in Recital (3) above.

IBA shall mean the Independent Broadcasting Authority.

Licensee shall mean any such person as the Station Owner allows to use Accommodation and/or Equipment at the Station other than the Sharer or any Sub-Licensee.

Licence fee shall have the meaning set out in Clause 6.2.

Local Distribution Company shall mean the company replacing the former local electricity board being the supplier of electricity local to a Station.

Multi-Couple shall mean the operation by the Sharer of more than one Qualifying Service for its Sub-Licensees or other third parties from the same exclusive antenna system comprising part of the Sharer's Exclusive Equipment but within a different frequency allocation.

Oftel shall mean the Office of Telecommunications.

Operating Procedures Manual shall mean the operating and maintenance procedures set out in the Manual contained in Schedule V (as updated from time to time in accordance with Clause 8.2. or amended or substituted in accordance with Clauses 12.2 and 13.2.3.

Operational Commencement shall mean commencement of Broadcasting any Broadcast Channel of the Sharer from the Station, disregarding test transmissions.

Other Broadcast Channels shall mean any television and/or sound broadcasting service or teletext or other data transmission service transmitted with those services (other than the Broadcast Channels herein defined) which any person may wish to transmit in the future (and which for the avoidance of doubt may include Channel 5 or any national sound broadcasting service contemplated by the Broadcasting Act 1990).

Qualifying Service(s) shall mean a Broadcast Channel intended to be transmitted within an allocated frequency band.

Rate Card shall have the meaning set out in Schedule II Part I.

Reasonable Price shall have the meaning set out in 11.3.1.

Sharer shall mean the party being either NTL or the BBC whichever wishes to share Accommodation and Equipment and/or locate its Exclusive Equipment and/or construct or occupy any Exclusive Accommodation at the other party's Station.

Site Licence shall have the meaning set out in Clause 6.1.1.

Standard TV Station any station used by the Sharer for television only with a nominal maximum operating power of 49 watts and below for each of the Sharer's Broadcast

Channels transmitted from the Station.

Station shall mean such freehold or leasehold or licensed sites being land, buildings or parts of buildings or other premises acquired or to be acquired by the Station Owner for the installation or location of Accommodation and/or Equipment and as the same appear listed in Schedule I hereof (as amended from time to time).

Station Owner shall mean either NTL (or the IBA prior to the Effective Date where the context so requires) or the BBC, whichever has acquired the Station.

Sub-Licensee shall mean any such person the Sharer allows to own Sharer's Exclusive Equipment at a Station.

Technical Services shall mean Broadcasting and the provision of services in relation to Broadcasting (including without limitation technical and maintenance services) and ancillary services.

Teletext Service shall mean any service comprising a succession of visual displays (with or without accompanying sound) each being capable of being selected and held for selected viewing or other use.

Transfer Scheme shall mean the transfer scheme referred to in Recital (4) above.

Transmission shall mean the sending and/or receiving and/or relaying through the agency of electric, magnetic, electro-magnetic, electro-chemical or electro-mechanical energy, of:

(a) speech, music and other sounds;

(b) visual images;

(c) signals serving for the impartation (whether as between persons and persons, things and things or persons and things) of any matter otherwise than in the form of sounds or visual images; or

(d) signals serving for the actuation or control of machinery or apparatus.

1.2 Where the context so requires words denoting the singular number only shall include the plural number or vice versa.

1.3 The headings in this agreement do not affect its interpretation .

Term

2. Except to the extent specified to the contrary, this agreement shall be deemed to have had effect from the Effective Date and shall continue in force until terminated in accordance with Clause 18.

Registration
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3. The parties hereto shall procure that the matters and agreements contained in Clauses 10 and 11 of this agreement and capable of registration or operating as land charges shall be so registered and this agreement evidences the mutual consent of the parties hereto to such registration.

Adjusting Payment
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4.1 NTL agrees to pay the sum of (pound)78,464 (being the sum referred to in Recital (6)) (plus VAT if applicable) to the BBC at such time(s) after the date of this agreement and in such manner as the parties hereto shall agree.

4.2 For the avoidance of doubt NTL and the BBC acknowledge and agree that, as from the date of this agreement, neither party has any interest whether legal, equitable or otherwise in each other's Stations, Accommodation and Equipment, subject as provided in this agreement.

Ownership Rights

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5.1 Notwithstanding any previous contributions, shared costs, shared use or other acts by the parties or the IBA prior to the date of this agreement, on the date of this agreement;

5.1.1 Save as provided in Clause 5.1.2 (and without prejudice to Clause I d.3 of the Site Licence), ownership, as between the Station Owner and the Sharer, of the Stations and of the Accommodation and Equipment at the Stations is vested absolutely in the relevant Station Owner as specified in Parts I and II of Schedule I to this agreement;

5.1.2 Ownership, as between the Station Owner and the Sharer, of the Sharer's Exclusive Equipment is vested absolutely in the Sharer;

5.1.3 To the extent that immediately prior to the date of this agreement, ownership as between the Station Owner and the Sharer, of the Stations and the Accommodation and Equipment at the Stations and of the Sharer's Exclusive Equipment was not already vested in, as the case may be, the Station Owner or the Sharer, this agreement shall have effect to dispose of the relevant ownership from one party to the other so as to give effect to Clauses 5.1.1 and 5.1.2.

5.2 Notwithstanding any contributions, shared costs, shared use or other acts by the parties after the date of this agreement as between the Station Owner and the Sharer the ownership of any further Stations and of the Accommodation and Equipment at any Stations from time to time shall be as set out in Clauses 5.1.1 and 5.1.2 above and subject to the same provisos.

5.3 The terms on which any Accommodation or Equipment at a Station is made available or allowed to be installed at a Station are governed by the terms of this agreement and the Operating Procedures Manual and the relevant Site Licence.

5.4 The provisions of Clauses 5.2 and 5.3 are subject to the provisions of Clause 12.3.

5.5.1 The Station Owner has no right to and shall not take any action to impair the exclusive user of the Sharer (and/or any Sub-Licensee) of any of the Sharer's Exclusive Accommodation and/or the Sharer's Exclusive Equipment save as expressly permitted by this agreement and/or the Operating Procedures Manual and/or the Site Licences.

5.5.2 The Sharer shall have the right to remove its Exclusive Equipment from a Station at any time subject to Clause 12.3.3 where applicable and to any procedural requirements as set out in the Operating Procedures Manual.

5.5.3 The Sharer shall, without prejudice to its rights hereunder in respect of its Exclusive Equipment, only be entitled to construct or have constructed Sharer's Exclusive Accommodation on a Station with the Station Owner's prior consent, (such consent not to be unreasonably withheld or delayed) and in accordance with the Operating Procedures Manual and applicable Site Licence. Any Sharer's Exclusive Accommodation so constructed shall form part of the Accommodation of the Station and shall be owned by the Station Owner. The Sharer shall have the right at any time to remove any buildings and/or structures (the construction of which was at the Sharer's expense) forming part of its Exclusive Accommodation from any Station,

subject as provided in Clause 10.4(i) and 10.5(i). The Station Owner may, if reasonable for the Station Owner to do so, require any Sharer's Exclusive Accommodation (constructed at the Sharer's Expense) and any Sharer's Exclusive Equipment to be removed at the Sharer's expense within 12 months after the end or sooner determination of the relevant Site Licence. When any Sharer's Exclusive Accommodation has been removed, ownership and title in it shall automatically and forthwith vest in the Sharer without payment to the Station Owner in consideration for such removal or otherwise. The above provisions are without prejudice to the reinstatement provisions in Clause IIy. of the Site Licence (save for the three month reinstatement period recited therein).

Site Licences and Licence Fees

6.1.1 The parties hereto agree to enter into site licences with each other in respect of the Stations listed in Schedule I as soon as reasonably practicable after the date of this agreement. The term of such site licences shall be deemed to have run from the Effective Date. Such site licences shall be substantially in the form of and on the same terms as the draft site sharing licence annexed as Schedule III hereto, save for Stations outside England and Wales where the site sharing licence or equivalent document shall incorporate terms to the same effect, insofar as reasonably practicable, to the draft site sharing licence annexed as Schedule III but shall be in a form appropriate to the relevant jurisdiction (all such forms being herein referred to as "the Site Licence").

6.1.2 Unless expressly agreed otherwise the parties hereto, where they are legally and practically able to do so, shall continue to provide Accommodation and Common Equipment to one another at each of the Stations for their respective Broadcast Channels on the basis that such Accommodation and Common Equipment are provided by the Station Owner to the other party as licensee only and upon such terms and subject to such conditions as are set out in this agreement (and subject to the terms of the Operating Procedures Manual and the relevant Site Licence in respect of each Station). Each Site Licence shall be for an initial period expiring on 31 December 2005 and shall if required by the Sharer be extended for periods of 15 years (or such lesser periods as the Station Owner and the Sharer may agree). Each Site Licence shall be subject to the termination provisions contained in it.

6.1.3 At the reasonable request of the Sharer the Station Owner will provide such information as the Sharer shall reasonably require as to the Station Owner's tenure of any Station.

6.2 The licence fee payable under the Site Licence (hereinafter referred to as "the Licence fee") shall incorporate four elements namely a rate card fee, a maintenance fee, a multicouple fee and (where applicable) an electricity fee and if applicable, a fifth element comprising any special fees as the same are more particularly described in the relevant Site Licence.

6.2.1 The rate card element of the Licence fee shall be determined in accordance with a commercial rate card system (and shall be subject to annual review) in accordance with the provisions set out in Part I of Schedule II.

6.2.2 The maintenance fee element of the Licence fee shall be an annual sum representing the cost to the Station Owner of implementing the Operating Procedures Manual at the Stations. This sum shall be calculated in accordance with the provisions contained in Part II A. of Schedule II and shall be subject to annual review in accordance with the provisions set out Part II B. of Schedule II.

6.2.3 The multi-couple fee element of the Licence fee is intended to provide the Station Owner with a small incremental addition to the rate card fee where the Sharer operates a Multi-Couple arrangement for Sub-Licensees or other third parties, subject as provided in this Clause 6.2.3.

6.2.3.1 Subject as provided in this Clause 6.2.3. the multi-couple fee element of the Licence fee shall be an annual fixed sum of (pound)250 per Qualifying Service transmitted from a Sharer's antenna (subject to review as provided in Clause 6.2.3.3) but shall only apply where all or part of the Sharer's Exclusive Equipment at a Station includes an antenna installed directly onto or attached directly to a mast, tower or similar structure which forms part of Common Accommodation.

6.2.3.2 A multi-couple fee shall not apply:

(a) where the antenna from which the Qualifying Service is operated is a piece of Common Equipment; or

(b) where the Qualifying Service on the antenna (forming part of the Sharer's Exclusive Equipment) is the Sharer's own service (as opposed to that of any Sub-Licensee or other third party) or is the first Qualifying Service transmitted from that antenna; or

(c) where the antenna from which the Qualifying Service operates is part of the Sharer's Exclusive Equipment and is attached directly to any mast, tower or similar structure which is part of the Sharer's Exclusive Accommodation.

6.2.3.3 The fixed annual amount of the multi-couple fee shall be subject to annual review in accordance with the provisions set out in Schedule II Part III.

6.2.4 Where the Sharer does not arrange its own separately metered electricity supply, there will be an electricity fee element in the Licence fee which (subject as provided below in this Clause and to the provisions of Clause 6.3.5) shall be the cost to the Station Owner (if any) of the electricity supply provided to and used by the Sharer. Such sum shall be subject to periodic adjustment in accordance with Clause 6.3.5 to take into account any tariff changes or alterations in the supply to the Sharer. If the Station Owner obtains a discounted price for bulk purchase of electricity, it shall be required to discount the cost to the Sharer at the Station to the same extent.

6.2.5 The special fees element of the Licence fee shall be the amount specified (if any) in the relevant Site Licence and in accordance with the provisions in Clause II.d. therein contained.

6.3.1 The Licence fee for each Station shall be calculated in accordance with Clause 6.2 and will be invoiced monthly in advance on the first of each month for payment by no later than the 28th day following the date of the invoice ("the due date").

6.3.2 If any payment of the Licence fee is not made on the due date then, without prejudice to any other rights which the Station Owner may have, the Sharer shall pay interest (calculated on a daily basis) on any outstanding amount from the due date until payment, at the rate of 4% per annum above base rate of Barclays Bank PLC applicable during the time of non-payment.

6.3.3 The multi-couple fee will be payable from the date of operational commencement of transmission of the Qualifying Service to which it relates, from the Sharer's antenna.

6.3.4 Where in accordance with the terms of this agreement, the Accommodation and/or Equipment at a Station is altered, removed or supplemented by additional Common Accommodation or Common Equipment and/or additional Sharer's Exclusive Accommodation or Sharer's Exclusive Equipment there shall be an adjustment in the Licence fee payable by the Sharer for that Station in accordance with the provisions of the rate card which shall take effect from the date operational commencement or cessation of use of such altered/additional or removed Accommodation and/or Equipment occurs.

6.3.5 The electricity fee element of the Licence fee shall be included in the monthly Station Licence fee invoice on a basis of actual metered consumption or consumption reasonably estimated annually in advance from the previous year's total electricity consumption of that or a similar Station. Save as hereinafter provided, the actual amount for each calendar year shall be determined as soon as reasonably practicable after 31st December of that year, and in any event no later than 31st March of the following year, and shall be promptly thereafter notified by the Station Owner to the Sharer. Any over or under payment of this element of the Licence fee for a particular year will be repaid or paid in addition, within 28 days of notification of the relevant amount by the Station Owner. No adjustment to the estimated cost will be made, however, for any station which has been a Standard TV Station for the period during which it qualified as such a Station. In these cases the figure for the annual cost of the electricity supply provided to the Sharer for that Station shall be a fixed charge agreed annually in advance which shall be deemed to be the actual cost notwithstanding any actual tariff, change in tariff, discount or altered, removed or supplemented Accommodation or Equipment at that Station.

6.3.6 Where a Sharer provides Technical Services for a third party who has entered into a direct site sharing licence with the Station Owner then the use of Common Accommodation and Equipment in carrying out such Technical Services for that third party is not taken into account in determining the Licence fee payable by the Sharer to the Station Owner in respect of the Station concerned.

Further Stations to be acquired, Additional Stations to be Shared and Removal of

Stations

7.1 Where any further station is to be acquired by either party the acquiring party shall continue promptly to notify the other in writing giving reasonable details as to the proposed Accommodation and Equipment.

7.2 After receipt of such notice from the party acquiring the station the other party may request facilities for its Broadcast Channels at the new station or may request facilities under Clause 7.5 by written notice to the party acquiring the station ("the Additional Site Notice"). (In such circumstances the parties should also proceed in accordance with the spirit of the Operating Procedures Manual.) The station to which the Additional Site Notice relates shall be deemed to be included in the relevant part of Schedule I to this agreement from receipt of the Additional Site Notice by the party acquiring the station. (On inclusion, the station becomes a Station for the purposes of this agreement.) If operational commencement has not occurred within 12 months of the receipt of the Additional Site Notice, the Station shall cease to be deemed to be included in Schedule I. However, further Additional Site Notices may be served on the party acquiring the station by the other party and the provisions of this Clause 7.2 shall apply to any such further Additional Site Notice.

7.3 The parties shall enter into a licence in respect of each Station in respect of which an Additional Site Notice has been given substantially in the form of the Site Licence unless the parties expressly agree otherwise. The Site Licence shall take effect from and its term shall commence on the date that the Sharer is first permitted access for works at the new Station in accordance with the provisions for access contained in the Operating Procedures Manual (or, where the Station Owner carries out any installation works on the Sharer's Exclusive Accommodation or Exclusive Equipment on the Sharer's behalf, the date of commencement of such works). The initial term of any such Site Licence shall be 15 years. The Licence fee commencement date for that new Station shall be the date of operational commencement. For the avoidance of doubt, the provisions of Clause 6.1 apply to Site Licences and Stations referred to in this Clause 7, subject as provided in Clauses 7.2 and 7.3.

7.4 For record purposes Schedule I hereof shall be formally updated as soon as reasonably practicable after 31st December in each year by an exchange of lists of current Station details between the parties which shall be appended as memoranda to this agreement (save where no additions or deletions have occurred since the previous annual list was prepared).

7.5 In addition to any statutory rights accruing to the parties one against another, it is agreed that where the Station Owner receives a request for facilities for the purposes of the Sharer's Broadcast Channels at any of its Stations and at any stations to which a party hereto has title but which are not shared at that time and therefore not included in the lists in Schedule I to this agreement, the Station Owner will, wherever economically practicable for it, use all reasonable efforts to make such facilities available and offer site sharing to the Sharer substantially on the terms of the Site Licence save as may otherwise be agreed. Any further Site Licence shall take effect and its term shall commence in accordance with the provisions of Clause 7.3.

7.6 The removal by the Station Owner of any Station from Schedule I (as amended from time to time) shall only take place:-

- (a) with the agreement of the parties;
- (b) in accordance with the provisions of Clauses 10 or 11: or
- (c) on the termination of the Site Licence for that Station.

7.7 Notwithstanding the expiration of the agreed term in respect of any individual Site Licence under Clause 6.1.2 hereof, subject to Clause 18 hereof the remaining provisions of this agreement shall continue in operation and full effect.

7.8 The parties acknowledge that, save as provided in Clause 10, this agreement does not cover the situation where a Station Owner wishes to share Sharer's Exclusive Accommodation or Sharer's Exclusive Equipment. The terms of any such sharing are a matter for separate negotiation.

Operating Procedures Manual

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8.1 The practical relationship between the parties in respect of their respective management and operative running of the Stations shall be in accordance with the Operating Procedures Manual and the parties hereto covenant with each other to perform the obligations and directions on their parts respectively as Station Owner and Sharer contained in the Operating Procedures Manual relating to the Technical Services and Broadcast Channels at the Stations.

8.2 The Operating Procedures Manual may be updated by the agreement of the parties from time to time. Such update shall only take effect when signed by the Executive Manager Operations on behalf of NTL and the General Manager Transmission Operations on behalf of the BBC (or such other persons as either party shall notify to the other in writing). For record purposes the parties agree to exchange an updated copy of the Operating Procedures Manual at the end of each year incorporating all updates to that date (if any) initialled on behalf of both parties and such copy shall be annexed to this agreement.

Capital Contributions for a Standard TV Station

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9.1 For the avoidance of doubt it is noted that from the date of this agreement each party shall be responsible for establishing its own Standard TV Stations and shall not be entitled to call for any capital contributions from the other party hereto (save as provided in this agreement in relation to Exclusive Accommodation and in Clause I.d.1.(ii) and (iii) of the Site Licence).

9.2 The parties may agree whatever they see fit from time to time regarding capital contributions in respect of all other stations.

Sub-Licensing, Assignment and Cessation of Sharing

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10.1 Subject to Clause 13 below:-

10.1.1 The Sharer shall have no right to grant any assignment, sub-letting or sublicense of all or part of the rights granted under the Site Licence except for sub-licences granted in accordance with this Clause 10.1.

10.1.2.1 Subject to 10.1.2.2 the Sharer may grant a sub-licence under a Site Licence to a third party where Sharer's Exclusive Equipment owned by the third party is, or is to be, located on the Sharer's Exclusive Accommodation or is or is to be connected directly to other Sharer's Exclusive Equipment (whether or not such Sharer's Exclusive Equipment is also located on Sharer's Exclusive Accommodation or Common Accommodation). Subject to the other provisions of this Clause 10, the Sharer may also grant a sub-licence under a Site Licence where the third party is a local radio licensee which has acquired or is to acquire Equipment as a result of section 133(6) of the Broadcasting Act 1990 and the Equipment owned or to be owned by the proposed Sub-Licensee is, or is to be, directly located on Common Accommodation. The Sharer may not grant a sub-licence under a Site Licence to a third party, other than such a local radio licensee, to permit equipment owned or to be owned by the third party to be directly located on Common Accommodation.

10.1.2.2 The Sharer may only grant a sub-licence to a third party at a Station in respect of the Sharer's Exclusive Equipment used or to be used for or by that third party at the Station for any of the Broadcast Channels or for Technical Services in respect of the Broadcast Channels and the Other Broadcast Channels.

10.1.3 Any sub-licence granted in accordance with Clause 10.1.2 shall include terms to the following effect:

1. (a) The sub-licence will terminate on the expiry or earlier termination of the Sharer's Site Licence; and

(b) immediately prior to the expiry of the sub-licence, the Sub-Licensee shall remove (or have removed) the Sharer's Exclusive Equipment owned by it.

2. The Sub-Licensee shall not be permitted or permit others to enter the Station except in the following circumstances:

(a) the Sub-Licensee may enter the Station to view any Sharer's Exclusive Equipment owned by the Sub-Licensee provided that the representatives carrying out the viewing have been approved by the Station Owner prior to entry (such approval not to be unreasonably withheld or delayed);

(b) the Sharer may enter to carry out works of installation, inspection, maintenance, repair, renewal or removal in relation to the Sharer's Exclusive Equipment owned by the Sub-Licensee, subject to the restrictions on such works contained in the Operating Procedures Manual and the Site Licence;

(c) third parties (or the Sub-Licensee) may enter with the prior consent of the Station Owner, to carry out the works described in (b) above, such consent not to be unreasonably withheld or delayed, if:

(i) the Sharer's Exclusive Equipment owned by the Sub-Licensee is situated in or on the Sharer's Exclusive Accommodation or is directly connected to Sharer's Exclusive Equipment (whether or not such Sharer's Exclusive Equipment is located on Sharer's Exclusive Accommodation or Common Accommodation); and

(ii) the third party (or the Sub-Licensee) enters into a direct contract with

the Station Owner, if required to do so by the Station Owner, governing the maintenance procedures and works practices that must be observed on the Station and which may include:-

(aa) an indemnity similar to that contained in Clause II b.b. of the Site Licence in favour of the Station Owner if so required by the Station Owner; and

(bb) a provision requiring all or part of such works as the Station Owner shall in its discretion decide to be performed or supervised by the Station Owner; and

(cc) a provision for the costs properly incurred of such performance or supervision to be met by the relevant Sub-Licensee.

(d) the Sub-Licensee may allow representatives of the Director General of Telecommunications to enter the Station insofar as necessary to comply with any Wireless Telegraphy Act Licence granted to that Sub-Licensee under section 1 of the Wireless Telegraphy Act 1949.

10.1.4 Notwithstanding the rights granted in this Clause 10.1, the Sharer shall remain fully liable to the Station Owner for the acts and omissions of its Sub-Licensees or the third parties referred to in this Clause 10.1 (including if applicable the failure of a Sub-Licensee to remove any Sharer's Exclusive Equipment owned by it prior to termination of its sub-licence and the cost of reinstating any damage caused by such removal). For the avoidance of doubt, subject as provided in this Clause 10.1, the covenants on the Sharer's part relating to the provisions of the Operating Procedures Manual and the Site Licence shall apply to the Sharer in respect of any Sharer's Exclusive Equipment owned by the Sub-Licensee on the Station as they do generally to the Sharer's Exclusive Equipment.

10.1.5 For the avoidance of doubt (and without prejudice to Clause 10.1.3(2)(c)(ii)(cc)) the Station Owner shall not be entitled to any fee from or in respect of the sub-licence (except as provided in Clause 6.2.3, if applicable) but the Licence fee payable by the Sharer shall be calculated as if the rights exercisable by the Sub-Licensee were exercisable by the Sharer (except for any multi-couple fee payable in accordance with Clause 6.2.3).

10.1.6 For the avoidance of doubt the BBC confirms that it has consented to the grant of sub-licences complying with this Clause 10.1 in favour of any local radio licensee who acquires or has acquired ownership of NTL's or IBA's Exclusive Equipment pursuant to section 133(6) of the Broadcasting Act 1990.

10.1.7 Nothing in this agreement shall:-

(a) prevent the Station Owner from entering into agreements with third parties to use its Stations and/or Accommodation and Equipment at its Stations (other than the Sharer's Exclusive Equipment and/or Sharer's Exclusive Accommodation (save as provided in Clauses 10.4(i) and 10.5(i))) whether by lease, licence, sub-letting or otherwise provided that the Sharer's rights under this agreement are preserved;

(b) prevent the Station Owner from retaining its rights of access at all times over all parts of the Station (including rights of access to any Sharer's Exclusive Accommodation) as provided in the Operating Procedures Manual, or otherwise by prior arrangement with the Sharer (save in cases of emergency when no prior arrangement shall be necessary); or

(c) prevent the Sharer from entering into Multi-Couple arrangements with third parties using the Sharer's Exclusive Equipment on a Station, where the third party has contracted with the Sharer for the Sharer to provide facilities for any of the Broadcast

Channels but where the third party does not own any of the Equipment to be used on the Station.

10.2 Subject to Clause 10.8 below, if:-

1. Sharer's Exclusive Equipment owned by a Sub-Licensee is located on or in Common Accommodation (disregarding Ancillary Equipment) which is permitted only as provided under Clause 10.1.2.1; and

2. either

(a) the Sub-Licensee ceases to require any Technical Services from the Sharer;

or

(b) the Sharer ceases to own any Sharer's Exclusive Equipment (disregarding Ancillary Equipment) or any of the Common Equipment referred to in Clause 12.3 in or on the same Common Accommodation;

the Sharer shall

(i) in the case of (1) and (2)(b) above both applying, if required by the Station Owner, terminate the relevant sub-licence in accordance with its terms and the Site Licence for the Station shall be terminated or amended if appropriate; or

(ii) in the case of (1) and (2)(a) above both applying, terminate the relevant sub-licence in accordance with its terms and the Site Licence for the Station shall be amended if appropriate.

10.3 Subject to Clause 10.8 notwithstanding that ownership of all Accommodation remains vested at all times in the Station Owner, (save as provided in Clause 5.5.3) if:-

(a) any Sharer's Exclusive Accommodation is constructed by or at the sole cost of the Sharer or any Sub-Licensees of the Sharer or is provided for the Sharer and/or any SubLicensee by the Station Owner; and

(b) the Sharer has transferred ownership of some but not all of the Sharer's Exclusive Equipment (or any of the Common Equipment as referred to in Clause 12.3) housed in or on such Exclusive Accommodation to a third party or third parties and has granted a sub-licence as permitted under Clause 10.1.2; and

(c) the Sub-Licensee concerned has ceased to require any Technical Services from the Sharer; then

the Sharer shall terminate the relevant sub-licence but the Sharer shall be entitled to grant a new sublicence to permit the former Sub-Licensee to continue to use the Sharer's Exclusive Accommodation (together with any appurtenant rights in or of access to and egress from the Sharer's Exclusive Accommodation). However, the Sharer shall not be entitled to grant such a new sub-licence unless (if necessary) the former Sub-Licensee also enters into a direct site sharing licence with the Station Owner in order to permit any Sharer's Exclusive Equipment owned by that former Sub-Licensee to be located on the Station other than in that Exclusive Accommodation (together with any appurtenant rights of access to and egress from the Station and in respect of use of such Equipment).

10.4 Subject to Clause 10.8 notwithstanding that ownership of all Accommodation remains vested at all times in the Station Owner, (save as provided in Clause 5.5.3) if:-

(a) (i) any Sharer's Exclusive Accommodation is provided for the Sharer and/or any

Sub-Licensee by the Station Owner; or

(ii) any Sharer's Exclusive Accommodation is constructed by or at the sole cost of the Sharer or any Sub-Licensee of the Sharer; and

(b) (i) the Sharer transfers or has transferred all the Sharer's Exclusive Equipment housed in or on such Sharer's Exclusive Accommodation (disregarding Ancillary Equipment) to a Sub-Licensee or Sub-Licensees in circumstances permitted under Clause 10 hereof; but

(ii) the Sub-Licensee(s) continue to require Technical Services from the Sharer; and

(c) a third party (including a Sub-Licensee) asks the Station Owner to make Accommodation available at the Station for Broadcasting any services comprised in the Broadcast Channels or Other Broadcast Channels;

then, (notwithstanding the presence of any such Common Equipment as referred to in Clause 12.3);

(i) the Sharer shall, if requested by the Station Owner, surrender up possession of such Sharer's Exclusive Accommodation to the Station Owner and if the provisions of 10.4(a)(ii) above apply, in consideration for such surrender the Station Owner shall pay to the Sharer a sum equivalent to the replacement cost of such Sharer's Exclusive Accommodation taking into account the expired life of the Exclusive Accommodation based on a useful life of 25 years and calculated at the date of surrender; and

(ii) if possession of such Sharer's Exclusive Accommodation is so surrendered, the Sharer shall terminate any subsisting sub-licences granted to its Sub-Licensees in respect of the Exclusive Accommodation concerned and the relevant Site Licence shall be terminated or amended accordingly if appropriate.

10.5 Subject to Clause 10.8 notwithstanding that ownership of all Accommodation remains vested at all times in the Station Owner, (save as provided in Clause 5.2.3) if:-

(a) (i) any Sharer's Exclusive Accommodation is provided for the Sharer and/or any Sub-Licensee by the Station Owner; or

(ii) any Sharer's Exclusive Accommodation is constructed by or at the sole cost of the Sharer and/or any Sub-Licensee of the Sharer; and

(b) the Sharer transfers or has transferred all the Sharer's Exclusive Equipment housed in or on such Sharer's Exclusive Accommodation (disregarding Ancillary Equipment) to a Sub-Licensee or Sub-Licensees in circumstances permitted under Clause 10 hereof; and

(c) the Sub-Licensee or Sub-Licensees referred to in Clause 10.5(b) above, cease to require any Technical Services from the Sharer;

then, (and notwithstanding the presence of any such Common Equipment as referred to in Clause 12.3);

(i) the Sharer shall, if requested by the Station Owner, surrender up possession of such Sharer's Exclusive Accommodation to the Station Owner and if the provisions of 10.5(a)(ii) above apply, in consideration for such surrender the Station Owner shall pay to the Sharer a sum equivalent to the replacement cost of such Sharer's Exclusive Accommodation taking into account the expired life of the Exclusive Accommodation based on a useful life of 25 years and calculated at the date of surrender; and

(ii) if possession of such Sharer's Exclusive Accommodation is so surrendered, the Sharer shall terminate any subsisting sub-licences granted to its Sub-Licensees in respect of the Exclusive Accommodation concerned and the relevant Site Licence shall be terminated or amended accordingly if appropriate.

10.6 Subject to Clause 10.8, if in addition to 10.2, 10.3, 10.4 or 10.5 above, the Sharer transfers or has transferred ownership of Sharer's Exclusive Equipment (disregarding Ancillary Equipment) located on a multi-couple antenna system to the Sub-Licensees whose services are transmitted from that said antenna system, so that all services operating from that said system have been the subject of such transfer of ownership, then, if the Station Owner so requires, the Sharer shall remove any of its remaining Ancillary Equipment comprised in the said antenna system from the Station (reinstating any damage caused by such removal).

10.7.1 If a Sub-Licensee enters into a direct site sharing licence with the Station Owner, following termination of its sub-licence from the Sharer pursuant to Clauses 10.2, 10.3, 10.4(ii) or 10.5(ii) the Sharer shall not be liable or required by the Station Owner to enforce the provision referred to in Clauses 10.1.3(1)(b) above, or Clause 10.1.4 insofar as it relates to removing Equipment owned by a Sub-Licensee from the Station or similar provision with regard to that person.

10.7.2 The Sharer shall from time to time, when requested by the Station Owner, inform the Station Owner as to what Sharer's Exclusive Equipment is owned other than by the Sharer and give details of such ownership.

10.8.1 Until the expiry of the Compulsory Period, the Station Owner shall have no right:-

(a) to require the Sharer to terminate and the Sharer shall have no obligation to terminate any sub-licence under Clauses 10.2 to 10.7 (inclusive); or

(b) to require the Sharer to surrender up possession of the Sharer's Exclusive Accommodation under Clauses 10.4 or 10.5 and the Sharer shall have no obligation to surrender up possession of the Sharer's Exclusive Accommodation under Clauses 10.4 or 10.5; or

(c) to require the Sharer to remove Ancillary Equipment and the Sharer shall have no obligation to remove such Equipment under Clause 10.6;

if a Sub-Licensee has originally acquired Equipment as a result of Section 133(6) of the Broadcasting Act 1990.

10.8.2 The Compulsory Period is the period from the Effective Date until:-

(a) the 1st January 1993; or

(b) the date when the programme contract in force immediately prior to the 1st January 1991 between the IBA and the Sub-Licensee would have expired in accordance with its fixed term (and notwithstanding the premature termination of such contract in consequence of the Broadcasting Act 1990);

whichever is the later.

10.9 A diagram is attached as Schedule IV to this agreement in respect of Clauses 10.2 to 10.5 (inclusive) and Clause 10.8 for illustrative purposes only.

10.10 Where the Sharer has ceased all its Technical Services in respect of its Broadcast Channels and/or Other Broadcast Channels from a Station it shall terminate its Site Licence for that Station in accordance with Clause IV.1.(b) of the Site Licence.

Relocation or Sale of Station by Station Owner

11.1 If the Station Owner wishes to dispose of its Common or Common and Exclusive Accommodation or its Common or Common and Exclusive Equipment located at a Station or has no further use for or wishes to relocate a Station it may do so and the Site Licence shall be modified/terminated accordingly except where the Sharer has a continued requirement for use of such Common Accommodation or Common Equipment where and in such circumstances the Station Owner shall be required, where practicable, to use all reasonable endeavours in accordance with Clause 11.2 to ensure that the Sharer's requirements in respect of Technical Services for its Broadcast Channels transmitted from that Station and rights under this agreement continue to be met or satisfied.

11.2 Subject to Clauses 10.1.7(a) and 11.4 the Station Owner, at its option, shall meet the obligation in Clause 11.1 (unless agreed otherwise at the time of commencement of the Site Licence) either:

11.2.1 if the Station is to be relocated or if, for reasons beyond its reasonable control, the Station Owner is prevented from continuing to use a Station, by providing Accommodation and Common Equipment for the Sharer at the relocated or any available alternative Station, in all material respects equivalent (including as to suitability for the Broadcast Channels) to those provided to the Sharer at the original Station together with a replacement Site Licence in respect of the same; or

11.2.2 if the Station Owner has a disposable title then, subject to any constraint imposed

(i) on any freehold title to the Station or,

(ii) where that title is leasehold in the lease of

that Station,

by giving the Sharer a right of pre-emption to acquire the Station Owner's interest in the land comprising the Station (and in buildings upon which the Station is located) (together with any Accommodation and Equipment on the Station which are required for Technical Services in respect of the Broadcast Channels of the Sharer or its Sub-Licensees or for the current transmission services of the Licensees, who are to remain on the Station) at the Reasonable Price. The right of pre-emption shall be promptly notified by the Station Owner in writing to the Sharer. The Station Owner shall deduce title to the Sharer in accordance with the National Conditions of Sale (20th Edition) and shall notify the Sharer in writing of all matters (of title or otherwise) adversely affecting the Station of which the Station Owner is aware. If this right of pre-emption is exercised by the Sharer the Station Owner shall assign or otherwise, at the Sharer's request, use all reasonable endeavours to terminate any licences, or sub-licences of or to any Licensees at the Station or to ensure that any Licensees who wish to remain and who are not lessees of the Station Owner shall enter into a direct site sharing licence with the Sharer as part of such transfer, on such terms as the Sharer shall reasonably require. Where this transfer occurs the Station Owner shall be entitled either:-

(a) to remove, if it wishes, all or any of:

(i) its Exclusive Equipment on the Station; and/or

(ii) any Exclusive Accommodation (other than land) on the Station; and/or

(iii) any Common Equipment on the Station;

comprising items of Equipment or Accommodation which are no longer needed for the Technical Services in respect of the Broadcast Channels of the Sharer or its Sub-Licensees or the transmission services of the Licensees who are to remain on the Station; or

(b) at the Sharer's request, to negotiate a price with the Sharer for the disposal of all

or any of the Accommodation and Equipment referred to in 11.2.2(a) from the Station Owner to the Sharer.

If however the Station Owner fails to remove any such Equipment or Accommodation as is referred to within 11.2.2(a) within 12 months of the Sharer acquiring title to the Station in accordance with Clause 11.2.2 the Sharer shall automatically acquire all such title as the Station Owner had in such Accommodation or Equipment without further consideration being due;

or,

11.2.3 only where 11.2.1 and 11.2.2 above are unreasonable or impracticable, then by entering into special arrangements with the Sharer for individual sites in accordance with the spirit of the provisions of this agreement.

11.3.1 The Reasonable Price shall be the value of the Station Owner's interest in the land comprising the Station (if any) together with such of the Accommodation and Equipment on the Station which is the subject of the right of pre-emption (subject to any registered or overriding interests) in the open market at the time of notification of the right of pre-emption, as agreed between the Station Owner and the Sharer. Failing agreement such value shall be determined by an independent surveyor who shall be appointed by agreement between the parties or, failing agreement, by the president for the time being of the Royal Institute of Chartered Surveyors on the application of either party. The independent surveyor shall act as arbitrator and his decision shall be final and binding on the parties.

11.3.2 The Sharer shall not be under any obligation under this Clause 11 to proceed with the acquisition of the Station Owner's interest following the agreement or determination of the Reasonable Price. The Sharer shall notify the Station Owner whether or not it wishes to proceed with the acquisition within 3 months of such agreement or determination of the Reasonable Price. If accepted by the Sharer, the Sharer shall pay the Reasonable Price on completion of the acquisition. The parties shall use all reasonable endeavours to complete the transaction within 3 months of notification of the Sharer's acceptance to the Station Owner of the Reasonable Price, or as soon as reasonably practicable thereafter.

11.4 Unless otherwise agreed the Station Owner shall meet all reasonable costs of providing the Accommodation and Common Equipment to be provided to the Sharer in accordance with Clause 11.2.1 including costs to develop any relocated or available alternative Station so that equivalent Accommodation and Common Equipment are provided except where the Station Owner was prevented from continuing to use the Station for any reason beyond its reasonable control (such as where the Station Owner is unable to renew its rights to occupy any land or buildings comprised in a Station and/or where renewal is only available on unreasonable terms).

Other Broadcast Channels

- - - - -

12.1 Subject as provided in Clauses 12.2 and 12.3 it is hereby agreed that if either party hereto requests Equipment and/or Accommodation to enable it to provide any Technical Services in respect of Other Broadcast Channels at the other's Stations the other party shall make such Equipment and/or Accommodation available on the same terms (including as regards entering into Site Licences and the application of the Licence fee) as Accommodation and/or Equipment are made available for the Broadcast Channels under this agreement.

12.2 The parties acknowledge that the Operating Procedures Manual may need to be amended to take into account any Other Broadcast Channels which are brought within the ambit of this agreement in accordance with Clause 12.1. The parties agree that the Operating Procedures Manual shall be amended to include such provisions as are necessary and reasonable to take account of such Other Broadcast Channels by the introduction of such comparable operating procedures as the parties shall agree. Failing agreement and without prejudice to Clause 15.3, either party may refer to the independent arbitrator referred to in Clause 15.2, to determine what amendments are necessary

and reasonable and his decision shall be final.

12.3.1 It is acknowledged by the parties that Accommodation and Equipment for Other Broadcast Channels may require substantial capital expenditure. If, therefore, after the date of this agreement the Sharer bears the initial capital costs incurred in providing any new Common Equipment or Common Accommodation for any other Broadcast Channels or in making significant alteration to Common Equipment or Common Accommodation for them the parties acknowledge that it will be appropriate to reduce the Licence fee payable to take into account such costs borne by the Sharer.

12.3.2 It is further agreed that notwithstanding any other provision of this agreement, the Operating Procedures Manual or any Site Licence, where the Sharer bears the initial capital costs for any Common Equipment for the purposes contemplated in 12.3.1 above, then the Sharer shall be the full legal owner of that Equipment notwithstanding that it is used in common with the Station Owner or its Licensees and notwithstanding the provisions of clauses 5.2 and 5.3. The repair and maintenance provisions of this agreement (including the maintenance fee element of the Licence fee), the Operating Procedures Manual and the Site Licences shall apply to such Common Equipment, but it shall be deemed to be Exclusive Equipment for the purposes of the Sharer's rights to remove or dispose of such Equipment under this agreement, the Operation Procedures Manual and any applicable Site Licence and in particular for the purposes of Clauses 5.5.2 and 11.

12.3.3 The parties agree to negotiate in good faith and without delay after the execution of this agreement (i) as to how the Licence fee should be adjusted in the circumstances set out in 12.3.1; and (ii) as to the appropriate compensation which will be payable by the Sharer to the Station Owner where the Sharer removes such Equipment.

12.3.4 Save for the principles set out in Clauses 12.3.1 and 12.3.2 the parties acknowledge that they have not considered or agreed in detail the application of this agreement, the Operating Procedures Manual or the Site Licence to the Equipment referred to in Clause 12.3.1. The parties agree to negotiate further in good faith the detailed application of this agreement, the Operating Procedures Manual and the Site Licence to such Equipment when reasonably required by either party.

12.3.5 Use by the Station Owner or its Licensees of the Common Equipment provided by the Sharer for Other Broadcast Channels as referred to in this Clause 12.3 shall be ignored for the purpose of determining whether Accommodation is Sharer's Exclusive Accommodation or Common Accommodation for the purposes of this agreement, the Operating Procedures Manual and the Site Licence.

12.3.6 Use by the Sharer or its Sub-Licensees of the Common Equipment provided by the Sharer for the Other Broadcast Channels as referred to in this Clause 12.3 shall be ignored for the purpose of determining whether Accommodation is Station Owner's Exclusive Accommodation or Common Accommodation for the purposes of this agreement, the Operating Procedures Manual and the Site Licence.

Assignment of this Agreement

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13.1 Neither party may assign this agreement in whole or in part without the prior written consent of the other party.

13.2 Such consent shall not be unreasonably withheld or delayed if the proposed assignee agrees:-

13.2.1 to become the Station Owner of all the Stations of the assignor as listed in the relevant part of Schedule I and to enter into a Site Licence in favour of the other party hereto in respect of each of those Stations, to replace and on the same terms as those in force previously between the assignor and the other party, subject as provided below; and

13.2.2 to enter into a Site Licence with the Station Owner in respect of each of the Stations of which the other party is the Station Owner, to replace and on the same terms as the Site Licences previously in force in respect of those Stations, subject as provided below; and

13.2.3 to execute a deed of covenant (under seal if appropriate) in favour of the other party to this agreement agreeing to be bound by the provisions of this agreement, provided always that such other party may determine that the Operating Procedures Manual shall not apply as between the assignee and itself but that such other operating procedures manual as it shall reasonably require shall be substituted in Schedule V for and take effect in place of the Operating Procedures Manual which applied as between the assignor and that party.

13.3.1 The obligations under the terms of this agreement, the Operating Procedures Manual and the Site Licence relating to:-

(a) performance of any works of installation, inspection, maintenance, repair, renewal or removal in respect of Accommodation and Equipment at the Stations by the Sharer; and

(b) performance of any works of installation, inspection, maintenance, repair, renewal, or removal in respect of Accommodation and Equipment (other than Station Owner's Exclusive Accommodation or Exclusive Equipment) at the Station by the Station Owner

cannot be assigned or sub-contracted to third parties save as therein expressly permitted, without the prior written consent of the other party, such consent not to be unreasonably withheld or delayed.

13.3.2 It would not be considered unreasonable for the Station Owner or the Sharer, as appropriate, to refuse consent where it is reasonably considered that the assignment or subcontracting of the works referred to in Clause 13.3.1 above would be detrimental to the technical operation of any Broadcast Channel.

Priority of Obligations

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14.1 Unless the parties expressly agree otherwise in writing:-

14.1.1 In the case of any discrepancies between the terms of this agreement and a Site Licence or the Operating Procedures Manual (as updated or substituted pursuant to any of Clauses 8.2, 12.2 or 13.2.3) the terms of this agreement shall prevail; and

14.1.2 Subject as provided in Clause 14.1.1, in the case of any discrepancy between a Site Licence and the Operating Procedures Manual (as updated or substituted in accordance with any of Clauses 8, 12.2 or 13.2.3) the terms of the Operating Procedures Manual shall prevail.

14.2.1 Notwithstanding any other provisions of this agreement, the Operating Procedures Manual or the Site Licence, neither of the parties hereto shall be:-

(i) required to do anything in contravention of any Applicable Regulations; or

(ii) required to refrain from doing anything the party is required to do under such Applicable Regulations; or

(iii) liable to the other party for failing to do anything which if done would be in contravention of Applicable Regulations.

14.2.2 For the purposes of Clause 14.2.1 Applicable Regulations shall mean any applicable statute, direction of any competent authority, any Telecommunications Act Licence granted to the party under section 7 of the Telecommunications Act 1984 or any Wireless Telegraphy Act Licence granted to the party under section 1 of the Wireless Telegraphy Act 1949.

Disputes

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15.1 In the event of any dispute or disagreement arising between the parties hereto relating to the legal interpretation of any of the Clauses of this agreement and/or the Site Licence and/or the Operating Procedures Manual the matter may be referred to an independent arbitrator to be agreed between the parties or to be appointed in default of agreement in respect of any Stations in England and Wales (on the application of either of the parties), by the President for the time being of The Law Society of England and Wales, or in respect of any issue related specifically to Stations in Scotland to and by the President of the Scottish Law Society, and in respect of matters related specifically to Stations in Northern Ireland to and by the President of the Law Society of Northern Ireland, the construction of this agreement to be dealt with by themselves or by such other arbitrator as they shall direct, and generally in accordance with the Arbitration Acts 1950 and 1979 or any statutory modification or re-enactment thereof for the time being in force.

15.2 In the event of any dispute or disagreement relating to the technical application of the Operating Procedures Manual or the Site Licence and the performance thereof then such dispute or disagreement shall be referred to the President of the Institute of Electrical Engineers to be dealt with by himself or by such other arbitrator as he shall direct and generally in accordance with the Arbitration Acts as referred to in Clause 15.1.

15.3 Clauses 15.1 and 15.2 are without prejudice to the rights of either party to refer to Oftel where appropriate.

Amendment/Variations

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16. The parties shall only be at liberty to amend this agreement by agreement in writing signed by authorised signatories for and on behalf of both of the parties.

Further Assurance

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17. The parties undertake with each other to execute and do all such deeds, documents, assurances, acts and things as may be necessary or requisite for putting into effect the provisions of this agreement.

Termination

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18.1 Subject as provided in Clause 18.3 either party may terminate this agreement by at least 5 years' notice in writing to the other expiring on 31st December 2005 or any date which is the date ten years or a multiple of ten years after 31st December 2005.

18.2 Subject as provided in Clause 18.3 either party may terminate this agreement forthwith by notice in writing to the other upon the happening of any of the following events:

18.2.1 if the other shall commit a material breach of any of the obligations on its part to be performed or observed hereunder and, in the case of a breach capable of rectification, shall fail to initiate steps to rectify the same within 30 days after notice is given to it by the party not in breach requiring such rectification or shall fail to continue thereafter with all reasonable speed to complete such rectification; or

18.2.2 if the other party shall become insolvent or if a receiver, administrator or administrative receiver shall be appointed in respect of the whole or any part of its assets or if any order shall be made or a resolution passed for winding up that other party (other than a resolution for a members voluntary winding up for the purpose of amalgamation or reconstruction on terms previously approved in writing by the party not the subject of the winding up) or if the other party shall file for bankruptcy, or if the other party makes any other arrangement with its creditors, or if equivalent action shall be taken or occur in any other jurisdiction; or

18.2.3 if the other party ceases to carry on or ceases legally to carry on a broadcast transmission business or function.

18.3.1 Termination of this agreement shall be without prejudice to the rights of the parties accrued to the date of termination including for the avoidance of doubt the accrued rights of ownership of all existing Stations, Accommodation and Equipment as at the date of termination.

18.3.2 Notwithstanding the provisions of Clauses 18.1 and 18.2, Clause 19 shall continue in full force and effect.

Confidentiality

19. Subject to the requirements of any Applicable Regulations, each of the parties undertakes whilst this agreement is in force and thereafter to, and to procure that its officers, employees, contractors and agents shall, keep confidential and not disclose to any third party without the prior written consent of the other party the contents of this agreement (save as provided below) or any information which it has received from or which has been made available by the other party verbally or in writing in relation to the business or operation of the other party (excluding information which is or has become public knowledge otherwise than by a breach by either party of this clause and information which either party is required to disclose by order of a Court or order of a competent authority). NTL shall however be entitled to disclose the contents of this agreement to any potential purchasers of all or part of the issued share capital of NTL and their respective advisers, provided that such potential purchasers and advisers undertake to keep such information confidential on similar terms as set out in this Clause. Each party undertakes to apply within 14 days from the date of this agreement to the Director General of Telecommunications for dispensation from the obligations of disclosure, if any, in any licence granted to either party under section 7 of the Telecommunications Act 1984.

SCHEDULE 1

PART I LIST OF BBC STATIONS

PART II LIST OF NTL STATIONS

SCHEDULE 1

PART I
(List of BBC Stations)

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SCHEDULE I
PART I
SECTION A
RADIO ONLY SITES *

ALSAGERS BANK
BOW BRICKHILL
BRIGHTON (SOUTHWICK)
CHURCHDOWN HILL
EXETER (PEARCE'S HILL)
FERN BARROW
FREEMANS COMMON
GREENSIDE SCALP
HIGH HUNSLEY
KINGS HEATH
LEICESTER (ANSTEY LANE)
LOTS ROAD
MADINGLEY
MANGOTSFIELD
MAPPERLEY RIDGE
MERSEYSIDE (ALLERTON PARK)
NORTHAMPTON VHF
PLYMOUTH (PLUMER BARRACKS)
SHREWSBURY
SIDEWAY
STOCKTON
TORBAY (OCCOMBE)
TROWELL

* NTL's use - rate card 1 and/or 2 applicable.

SCHEDULE I

PART I
SECTION B

COMBINED TV AND RADIO *

ALEXANDRA
PALACE
BATH
BILSDALE
BROUGH MOUNTAIN
FENHAM
GIRVAN
GUILDFORD
HANNINGTON
HASLEMERE
HASTINGS
HEATHFIELD
KILVEY HILL
LIMAVADY
LONDONDERRY
MALVERN
MARLBOROUGH
MENDIP
NEWHAVEN
OXFORD
REIGATE
SHEFFIELD (TAPTON HILL)
SUTTON COLDFIELD
THE WREKIN
WHITEHAWK HILL
(BRIGHTON)

* NTL's use - rate card 2 applicable

SCHEDULE I

PART I
SECTION C

TV ONLY *

1. NON-STANDARD

ABERDARE	GLENGORM	PONTYPRIDD
ALDEBURGH	GLENMARKSIE (LINK)	PORT ST MARY
ALSTON	GLOSSOP	REDRUTH
ASHBOURNE	HALTWHISTLE	RHONDDA
BEECROFT HILL	HEMEL HEMPSTEAD	ROSEMARKIE
BETWS-Y-COED	ERTFORD	ROWRIDGE
BIRCH VALE	HIGH WYCOMBE	SALISBURY
BLAENPLWYF	ISLES OF SCILLY	SCOVAL
BLUEBELL HILL **	KEELYLANG HILL	SGURR MARCASAIDH (LINK)
BOLEHILL	KENDAL	SHATTON EDGE
BRESSAY	KIDDERMINSTER	SKRIAIG
BRIERLEY HILL	KILKEEL	SOUTH KNAPDALE
BRISTOL ILCHESTER CRESCENT	LADDER HILL	STANTON MOOR
BRISTOL KINGS WESTON HILL	LARK STOKE	STORETON
BROMSGROVE	LARNE	SUDBURY
BUXTON	LEEK	TACOLNESTON
CALVER PEAK	LLANDDONA	TIDESWELL MOOR
CARMEL	LLANDRINDOD WELLS	TOROSAY
CLETTRAVAL	LLANGURIG LINK	TUNBRIDGE WELLS
COLLAFIRTH HILL	LONG MOUNTAIN	VENTNOR
CONWAY	MAESTEG	WALTHAM
CRYSTAL PALACE	MELVAIG (LINK)	WEARDALE
DIVIS	MIDHURST	WENVOE
DOUGLAS	MILBURN MUIR	WEST RUNTON
EBBW VALE	MYNYDD MACHEN	WEYMOUTH
EITSHAL	NEWTON	WHITBY
FALLS OF CONON (LINK)	OLIVER'S MOUNT	WINDERMERE
FENTON	PONTOP PIKE	WINTERBOURNE STICKLAND
GLENDUCHERTY (LINK)	PONTYPOOL	WOOLWICH

* NTL's use - rate card 2 applicable.
 ** excluding for the purposes of this agreement
 all that leasehold land approximately 22 m by 16m
 as demised by a Lease dated 17th August 1983 made
 between the BBC (1) and the IBA (2).

SCHEDULE I

PART I
SECTION C

TV ONLY *

2. 10W-49W OUTPUT INCLUSIVE

ABERCRAF	CATERHAM	FINDON	LEWES
ABERTILLERY	CERNE ABBAS	FISHGUARD	LIMBER HILL
AINSTABLE	CERRIGYDRUDION	FITFUL HEAD	LLANDECWYN
AISLABY	CHESHAM	FODDERTY	LLANDINAM
AMBERGATE	CHILFROME	GIGHA ISLAND	LLANDYFRIOG
AMLWCH	CLAONAIG	GILFACH	LLANELLI
ARDINTOUL	CLAUDY	GLEN URQUHART	LLANGEINOR
ASCOTT-UNDER-WYCHWOOD	CLUN	GORTNALEE	LLANHILLETH
AUCHMORE WOOD	CLYRO	GRANTOWN	LLANRHAEADR-YM-MOCHNANT
BADACHRO	COLDEAN	GREAT MISSENDEN	LUTON
BAINBRIDGE	CONGLETON	GREENHILL	MALLAIG
BALBLAIR WOOD	CONISTON HIGH MAN	GREENWICH	MATLOCK
BARGOED	CORWEN	GUISBOROUGH	MELVICH
BELCOO	COUNTISBURY	HARBORNE	MERTHYR TYDFIL
BELLAIR	COW HILL	HARTINGTON	MICKLEHAM
BELLANOCH	CREDITON	HAVERFORDWEST UHF	MILLOM PARK
BELPER	CROYDON (OLD TOWN)	HAWKSHEAD	MYNYDD EMROCH
BEN TONGUE	DALIBURGH	HAYWARDS HEATH	MYNYDD PENCARREG
BENAGH	DALMALLY	HENLEY-ON-THAMES	NESS OF LEWIS
BIDSTON	DEINIOLEN	HUGHENDEN	NORTH BOVEY
BISHOPS STORTFORD	DENTDALE	HUMSHAUGH	OAKELEY MYND
BLAENAVON	DOLGELLAU	HUNMANBY	OGMORE VALE
BLAINA	DOLYBONT	HYTHE	OKEHAMPTON
BLAIR ATHOLL	DORKING	ICOMB HILL	OTFORD
BOWMORE	DUNCRAIG	INVERNESS	OVER NORTON
BRETCH HILL	DUNKELD	KENLEY	PATCHAM
BRIGHTON CENTRAL	EAST GRINSTEAD	KENMORE	PENMAEN RHOS
CAMPBELTOWN	EASTBOURNE	KILBRIDE (SOUTH UIST)	PENNAR
CANE HILL	ESTON NAB	KILLIN	PENNY BRIDGE
CARNMONEY HILL	FERNDALE	KINGUSSIE	PENRYN
CARRADALE	FETLAR	LAXEY	PIDDLETRENTHIDE
PITLOCHRY	WELWYN		
POOLE	WEST WYCOMBE		
POPLAR	WESTBOURNE		
PORLOCK	WESTWOOD		
PORT ELLEN	WHITTINGSLOW		
PORTH	WONERSH		
RAVENSCAR	WOOBURN		
RHAYADER	WOOTTON COURTENAY		
RHEOLA			
RHYMNEY			
ROMALDKIRK			
ST JUST			
ST MARKS			
SEAHAM			
SHOTLEYFIELD			
SKIRMETT			
SPEAN BRIDGE			
STEYNING			

STRACHUR
SWINISTER
TARBERT (HARRIS)
TON PENTRE
TREFILAN
TREFIN
TULLICH
UBLEY
ULLAPOOL
WASHFORD UHF
WEAVERTHORPE
WEISDALE

* NTL's use - rate card 3 applicable.

SCHEDULE I

PART I
SECTION C

TV ONLY*

3. BELOW 10W OUTPUT

ABERYSTWYTH	BUCKNELL	EARDISTON	HEREFORD UHF
AFON DYFI	BURBAGE	EASDALE	HIGH KEIL
ALDBOURNE	BURRY PORT	EAST DEAN	HOPE
ARDNADAM	BUSHMILLS	EDALE	IPSTONES EDGE
ARISAIG	CAERGYBI	ESH	IRESHOPEBURN
ASHFORD-IN-THE-WATER	CARHAMPTON	EXFORD	IRONBRIDGE
ATTADALE	CARNO	FAR HIGHFIELD	KENILWORTH
AVOCH	CARTMEL	FERRYSIDE	KENSAL TOWN
BACKBARROW	CASTLEBAY	FINCHLEY	KERRY
BALLACHULISH	CASTLETON	FIUNARY	KILLOWEN MOUNTAIN
BALNAGUARD	CEMAES	FORT AUGUSTUS	KILMACOLM
BALTASOUND	CHAGFORD	GELLI-FENDIGAID	KILVE
BARROW TOWN HALL	CHARLBURY	GLENARIFF	KINLOCHLEVEN
BETHESDA	CHEPPING WYCOMBE	GLENELLY VALLEY	KINVER
BETWS-YN-RHOS	CHESELBOURNE	GLYNN	KIRKCUDBRIGHT
BIGGIN HILL	CHINLEY	GORTNAGEERAGH	LAIRG
BIRCHOVER	CHISBURY	GRANDTULLY	LAMBERHURST
BLACKWATERFOOT	CLACHAN	GRINTON LODGE	LAMBOURN
BLAENAU GWENT	COALBROOKDALE	GRONANT	LANGLEY
BOW STREET	COED DERW	GUITING POWER	LISBELLAW
BRADING	CORFE CASTLE	GULVAL	LLANARMON-YN-IAL
BRAEMAR	CORRIS	HALESOWEN	LLANBRYNMAIR
BRIDGNORTH	CROSBY RAVENSWORTH	HAMMERSMITH	LLANDDULAS
BRISTOL BARTON HOUSE	CUSHENDALL	HAMSTEAD	LLANDYSUL
BRISTOL WARMLEY	CUSHENDUN	HANGLETON	LLANGERNYW
BROAD HAVEN	CWM FFRWD-OER	HASTINGS OLD TOWN	LLANGOLLEN UHF
BRONEIRION	CYWYL ELFED	HAZLER HILL	LLANGURIG UHF
BRONWYDD ARMS	DERRYGONNELLY	HEDLEYHOPE	LLANGYBI
BRUERNISH	DURHAM	HELSTON	LLANIDLOES
BRUSHFORD	DURNESS	HEMDEAN (CAVERSHAM)	LLANSAWEL
BUCKNA	DYCHLIEMORE	HEMEL HEMPSTEAD TOWN	LLWYN ONN
LOCHINVER	PERRANPORTH	TALLEY	
LONG COMPTON	PIEROWALL	TARBERT (LOCH FYNE)	
LUCCOMBE (IOW)	PLUMBRIDGE	TAYNUILT	
LUDLOW	POOLEWE	TAYVALLICH	
LULWORTH	PORT ISAAC	THETFORD	
LUSCOMBE VALLEY	PORTLEVEN	THURSO	
MACHYNLLETH	PORTREATH	TOMATIN	
MARLOW BOTTOM	PORTSLADE	TOMICH	
MICKLEFIELD	PRAA SANDS	TOMICH LINK	
MILLTHROP	PWLL-GLAS	TOMINTOUL	
MOCHDRE	RAMPISHAM UHF	TORTEVAL	
MONKSILVER	REDDITCH	TOTLEY RISE	
MOUNTFIELD	RHONDDA B	TREGARON	
MULDONAGH	ROADWATER	TURVES GREEN	
NANT-Y-MOEL	ROOSE	UIG	
NETHERTON BRAES	ROSEDALE ABBEY	UNION MILLS	
NEW ADDINGTON	RUGELEY	UPPER KILLAY	
NEW BARNET	RYE	URSWICK	
NEWPORT BAY	ST ALBANS	VOE	

NEWTOWNARDS	ST ANTHONY IN ROSELAND	WALL
NORTH HESSARY TOR UHF	ST DOGMAELS	WEST BURTON
OAKAMOOR	SALTDEAN	WEST KIRBY
OBAN	SCALLOWAY	WESTER ERCHITE
OGBOURNE ST GEORGE	SEAGRY COURT	WHITASIDE
ONICH	SEDLSCOMBE	WHITEHEAD
OVER BIDDULPH	SIDMOUTH	WINSHILL
OVINGDEAN	SISTON	WINTERBOURNE STEEPLETON
PARBOLD	SORN	WIVENHOE PARK
PARWICH	SOUTH MAESTEG	WOODCOMBE
PEN-Y-BANC	STAITHES	YNYS PENNAL
PENCADER	STAVELEY-IN-CARTMEL	YSTUMTUEN
PENDERYN	STRONTIAN	
PENIFILER	SUNDERLAND	

* NTL's use - rate card 3 applicable.

SCHEDULE I
PART II
(List of NTL Stations)

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SCHEDULE I

PART II
SECTION A

RADIO ONLY SITES *

BAKERS WOOD

BLUNSDON

CHRISTCHURCH (NEWPORT)

DUXHURST

GREAT BARTON

GUNTHORPE

KEMPSTON (BEDFORD MF)

LANGLEY MILL

LEWSEY FARM (LUTON MF)

LITTLEBOURNE

NAISH HILL

SEDGLEY

SOUTH BENFLEET

SOUTHEND MF (RAYLEIGH)

ZOUCHES FARM (DUNSTABLE)

* BBC's use - rate card 1 and/or 2 applicable.

SCHEDULE I

PART II

SECTION B

COMBINED TV AND RADIO *

ABERGAVENNY	LANCASTER
BELMONT	LES TOUILLETS
BLACK HILL	LETHANHILL
BLACK MOUNTAIN	LLANFYLLIN
CAMBRET HILL	NAILSWORTH
CARADON HILL	NEWRY SOUTH
CHALFORD	PEEBLES
CHATTON	PENDLE FOREST
CHESTERFIELD	RIDGE HILL
CORNHOLME	ROSNEATH
DARVEL	ROSTREVOR FOREST
DURRIS	ROTHESAY
EYEMOUTH	RUMSTER FOREST
FFESTINIOG	ST THOMAS EXETER
HASLINGDEN	SANDY HEATH
HEBDEN BRIDGE	STRANRAER
HUNTSHAW CROSS	STROUD
INNERLEITHEN	TODMORDEN
KEIGHLEY	WALSDEN SOUTH
KIRKCONNEL	WHARFEDALE
KNOCK MORE	WINTER HILL

* BBC's use - rate card 2 applicable

SCHEDULE 1

PART II
SECTION C

TV ONLY *

1. NON-STANDARD

ALDERNEY	LEAMINGTON SPA
ANGUS	LITTLEBOROUGH
ARFON	MOEL-Y-PARC
BACUP	MYNYDD BACH
BARSKEOCH HILL	NEWCASTLE (NORTHERN IRELAND)
BEACON HILL	NOTTINGHAM UHF
BIGGAR	PENICUIK
BRECON UHF	PERTH UHF
CALDBECK	PLYMPTON
CIRENCESTER	PRESELY
COP HILL	ROSEHEARTY
CRAIGKELLY	SADDLEWORTH
DARWEN	SEDBERGH
DOVER	SELKIRK
EMLEY MOOR	SKIPTON
FAIR ISLE (LINK)	ST AUSTELL
FREMONT POINT	STOCKLAND HILL
GARTLY MOOR	STRABANE
HALIFAX	TAY BRIDGE
HEYSHAW	WEST KILBRIDE
IDLE	WHITEHAVEN UHF
KILLEARN	WHITWORTH
KINGS LYNN	

* BBC's use - rate card 2 applicable.

SCHEDULE I

PART II
SECTION C

TV ONLY *

2. 10W-49W OUTPUT INCLUSIVE

ABERFOYLE	CROCKERTON	KIRKMICHAEL	ROTHBURY
ABERTRIDWR	CROESERW	KIRKOSWALD	SAINT HELIER
ADDINGHAM	CULM VALLEY	LLANUWCHLLYN	SENNYBRIDGE
ALLESLEY PARK	CWMAFON	LLYSWEN	SLAPTON
ANDOVERSFORD	DALLINGTON PARK	LOCHWINNOCH	STRATHALLAN
ARDENTINNEY	DALTON	LORTON	SUTTON ROW
ARMAGH	DERI	LUDDENDEN	TAFFS WELL
AUCHTERMUCHTY	DOG HILL	MELLING	TAVISTOCK
AUSTWICK	DONHEAD	MILLBROOK	TEIGNMOUTH
BACKWELL	DOVER TOWN	MOEL-Y-SANT	TENBY
BALA	DOWNDERRY	MONMOUTH	THE BOURNES
BAMPTON	DURSLEY	MORPETH	THORNHILL
BANFF	EDERNY	MUIRKIRK	TIGNABRUAICH
BASSENTHWAITE	ELTON	NEW GALLOWAY	TILL VALLEY
BEARY PEARK	FOREST ROW	NEW RADNOR	TIVERTON
BELLINGHAM	GALASHIELS	NORWICH CENTRAL	TORQUAY TOWN
BOLLINGTON	GARTH HILL	OAKENHEAD	TRAWDEN
BRAILES	GLASGOW (WEST CENTRAL)	ORTON	TREGYNON
BRIDPORT	GOSFORTH	OUGHTIBRIDGE	TREHARRIS
BRIGHSTONE	GRASSINGTON	OVERSTRAND	UPAVON
BURNHAM	HAGG WOOD	OXENHOPE	WALSDEN
BURRINGTON	HARTLAND	PENALIGON DOWNS	WELLS-NEXT-THE-SEA
CALLANDER	HAWICK	PENNORTH	WEST LINTON
CALNE	HAYDON BRIDGE	PETERCHURCH	WESTWARD HO!
CATTON BEACON	HUTTON	PETERHEAD	WHALLEY
CEFN-MAWR	ILFRACOMBE	PINWHERRY	WHITEWELL
CHARTHAM	IVYBRIDGE	PONTARDAWE	WOODBIDGE
COMBE MARTIN	JEDBURGH	PRIMROSE HILL	WREXHAM-RHOS
CRAGG VALE	KESWICK	RAMSBOTTOM	WYE (ASHFORD)
CRAIGELLACHIE	KETTLEWELL	RAVENS CRAIG	YNYW OWEN
CRICKHOWELL	KINGSBRIDGE	RIBBLESDALE	YSTALYFERA
CRIEFF	KINROSS	RIPPONDEN	

* BBC's use - rate card 3 applicable.

SCHEDULE I

PART II
SECTION C

TV ONLY *

3. BELOW 10W OUTPUT

ABERBEEG	BOSCASTLE	CHEPSTOW	DELPH
ABERCYNON	BOSSINNEY	CHINGFORD	DOLLAR
ABERGWYNFI	BOVEY TRACEY	CHISELDON	DOLWYDDELLAN
ABINGTON	BOX	CHITTERNE	DOWLAIS
ALLTWEN	BRADFORD WEST	CHUDLEIGH	DRAPERSTOWN
ALTON	BRANSCOMBE	CILFREW	DROMORE
ARMITAGE BRIDGE	BRECHIN	CILYCWM	DRONFIELD
ARROCHAR	BRIDGE OF ALLAN	CLEARWELL	DUFFRYN
ASHBURTON	BRINSCALL	CLENNON VALLEY	DUMFRIES SOUTH
AVENING	BRISTOL MONTPELIER	CLYDACH	DUNSFORD
AVETON GIFFORD	BRITON FERRY	COLEFORD	DUNURE
AVIEMORE	BRIXHAM	CONISBROUGH	EASTER COMPTON
BALGOWNIE	BROCKWELL	COOMBE	EASTWOOD
BALLANTRAE	BROOK BOTTOM	COPLY	EBBW VALE SOUTH
BALLINTOY	BROUGHTON	COWLING	EDGINSWELL
BALLYCASTLE FOREST	BRUTON	CRAIG-CEFN-PARC	EFAIL FACH
BALMULLO	BUCKFASTLEIGH	CREAKE	ELHAM
BANBRIDGE	BUILTH WELLS	CREETOWN	ELLON
BANGOR (NI)	BURGAR HILL	CREWKERNE	FALSTONE
BATLEY	BURY ST EDMUNDS	CROSTHWAITE	FAVERSHAM
BEAMINSTER	BYRNES	CROYDE	FELIXSTOWE
BEDLINO	CAMPERDOWN	CRUCORNEY	FERNHILL
BEER	CASTLE CAEREINION	CULLINGWORTH	FINTRY
BERRYNARBOR	CASTLEDERG	CUMBERNAULD VILLAGE	FROME
BERWICK-ON-TWEED	CATHCART	CUPAR	GARELOCHHEAD
BLACKBURN	CHALFORD VALE	CWM TWRCH	GLENCOYNE
BLACKMILL	CHAMBERCOMBE	CWMAMAN	GLENLUCE
BLAKENEY	CHARMOUTH	CWMFELINFACH	GLENRIDDING
BLEACHGREEN	CHATBURN	CWMGORS	GLESPIN
ODDAM	CHATHAM TOWN	DARTMOUTH	GLYN CEIRIOG
BONCHESTER BRIDGE	CHEADLE	DAWLISH	GLYNCORRWG

GLYNDYFRDWY	LLANENGAN	PETERLEE (HORDEN)	THRELKELD
GRASMERE	LLANFACH	PILLOWELL	TIDWORTH
GOREY	LLANFOIST	PLYMOUTH NORTH ROAD	TILLICOUTRY
GRAVESEND	LLANGADFAN	POLPERRO	TINTERN
GREAT TORRINGTON	LLANGYNOG	PONTFADOG	TONYPANDY
GREYSTOKE	LLANHARAN	POOLEY BRIDGE	TONYREFAIL
GUNNISLAKE	LLANWRTYD WELLS	PORTISHEAD	TOTNES
HADDINGTON	LOOE	PORTPATRICK	TRECASTLE
HAMSTREET	LOSTWITHIEL	RAVENSTONEDALE	TREFECHAN
HARBERTONFORD	LOWTHER VALLEY	REDBROOK	TREFOR
HASLAND	LUMPHANAN	REDCLIFFE BAY	TROON
HAUGHTON GREEN	LYDBROOK	RHONDDA FACH	TRURO
HEADINGLEY	LYDDEN	ROMILEY	TWECHAR
HELE	LYMINGE	ROOKHOPE	TYNEWYDD
HOLMFIELD	MACCLESFIELD	ROSS-ON-WYE	UPLAWMOOR
HOLMFIRTH	MACHEN UPPER	ROTHESAY TOWN	UPPER SOUDLEY
HOLMHEAD	METHVEN	ST BEES	WALTHAMSTOW NORTH
HOPE-UNDER-DINMORE	MEVAGISSEY	ST BRIAVELS	WANLOCKHEAD
HORN STREET	MIDDLETON	ST NEOT	WARDLE
IPSWICH (STOKE)	MILLPORT	ST PETER PORT	WATTSVILLE
KEIGHLEY TOWN	MINNIGAFF	SALCOMBE	WAUNFAUR
KELVINDALE	MOFFAT	SHREWTON	WEST LAVINGTON
KEWSTOKE	MONEYMORE	SINGLETON	WESTON MILL
KINGTON	MOTTRAM	SKINNINGROVE	WINCHCOMBE
KIRKBY STEPHEN	MUDDIFORD	SKIPTON TOWN	WINCOBANK
KIRKFIELD BANK	NEW CUMNOCK	SLAD	WOODFORD HALSE
KNUCKLAS	NEWCHURCH	SOUTH BRENT	WOODNOOK
LANGHOLM	NEWHAM (KENT)	STAMFORD	WOOLACOMBE
LARGS	NEWRY NORTH	STOCKPORT	WORKINGTON
LAUDER	NEWTON ABBOT	STOCKSBRIDGE	YETHOLM
LEA BRIDGE	NEWTON FERRERS	STOKETEIGNHEAD	
LEADHILLS	NORDEN	STOW	
LINDORES	NORTH OLDHAM	STRATHBLANE	
LINNET VALLEY	OCCOMBE VALLEY	SUTTON-IN-CRAVEN	
LITTLE WALSHINGHAM	PARKEND	SWIMBRIDGE	
LLANDERFEL	PENRHIWCEIBER	TENBURY WELLS	

* BBC's use - rate card 3 applicable.

SCHEDULE II

Part I The Rate Card

Part II The Maintenance Fee

Part III Multi-Couple Fee

SCHEDULE II

PART I
(The Rate Card)

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SCHEDULE II

PART I
THE RATE CARD

PART A

DEFINITIONS:

The components of the rate card are Exclusive Building Accommodation, Common Building Accommodation, Common Equipment, antenna height and windloading. In this context those expressions are collectively and individually described as Facilities and shall have the following meaning:-

Expressions:- -----	Meaning:- -----	Note:- -----
Exclusive Building Accommodation:- -----	shall mean Station Owner's buildings or parts of buildings provided for and/or used exclusively by the Sharer and/or any Sub-Licensees).	These are subject to an annual ground area charge.
Common Building Accommodation:- -----	_____ shall mean Station Owner's buildings or parts of buildings which not exclusive to the Sharer but are used in common by the Sharer and/or any SubLicensee of that Common Building Accommodation with others at the Station.	The charge is based on an agreed building valuation for the building area used.
Common Equipment:- ----- (includes MF Masts for the purposes of this Schedule)	shall mean Common Equipment as defined in the agreement and MF masts.	The charge is based on an agreed capital valuation of the equipment shared, the Sharer being charged an agreed capital recovery rate
antenna height and windloading:- -----	shall in this context describe the means of calculating a charge based upon the cost of the structure forming part of the Common Accommodation used to support the antenna(s) and feeders forming part of the Sharer's Exclusive Equipment or antenna(s) and feeders also forming part of the Common Equipment.	The windloading is based on agreed cross-sectional areas of the antenna(s) and feeders used, and the charge increases with height.

All other expressions shall have the meanings defined elsewhere in the agreement.

DESCRIPTION

The rate card: its components and operation

The rate card is the basis of the charges levied by a Station Owner on a Sharer who has use of Facilities. It recognises two aspects of the use of Facilities provided by the Station Owner namely, the capital cost and the maintenance of the Facilities.

BASIS OF THE CHARGES

Capital recovery on Common Building Accommodation and Common Equipment

The capital employed by the Station Owner in providing such Facilities which the Sharer uses is the starting point for calculating the charges. A charge of 10.2% on current replacement cost provides for a 9% real return on investment over an assumed average asset life of 25 years. This rate is felt to be appropriate, having regard to the likely duration of the arrangements, and the degree of risk associated with them.

Annual charge

1. Accommodation

Agreed valuations for Common Building Accommodation are based on current building costs. The annual ground area charge for Exclusive Building Accommodation (but only where constructed at the Sharer's expense) is based on average land values. (The annual ground area charge for Exclusive Building Accommodation not constructed at the Sharer's expense shall be determined the same as for Common Building Accommodation unless determined otherwise when made available.) It is higher than similar charges used elsewhere, but this is quite deliberately done to recognise use of other ground on or serving the Station such as private access roads and the surrounding undeveloped land on or serving a Station.

2. Common Equipment

Agreed valuations for Common Equipment (i.e. antenna(s), feeders, generators etc) have been calculated for every Station based on agreed costs for the relevant Common Equipment. The capital recovery rate of 10.2% of 1991 values as increased in line with the retail prices index (see Part C) is the basis of the charge.

3. Antenna height and wind loading

The antenna height and windloading charges are based on the rates derived over the years for charging other site sharers. They are effectively market values, but rise proportionately with the amount of structure used. BBC and NTL have agreed the rates at levels very close to the individual rates of the BBC and the IBA, but as the BBC and IBA have not historically charged exactly the same rates to other site sharers, the figures herein agreed are a compromise between the two. (Note This basis of charge is only applicable to non-MF Stations.)

External Costs

In addition to the rate card fee per Station the Sharer will be billed for any direct costs associated with its activities. This will include electricity (through the electricity fee element of the Site Licence fee), any separately levied rates, BT lines and any other charges which the Station Owner might reasonably pass on which are not otherwise taken into account in the Licence fee (including as provided in the Site Licence).

Implementation

Both parties will keep updated lists of the chargeable Equipment/Accommodation.

Types of Charges

- - - - -

There are 3 types of rate card appended as Part B hereto:-

1. Rate Card for M.F. Stations
2. Rate Card for Non M.F. Stations
3. Rate Card for Standard TV Stations.

SCHEDULE II

PART I
PART B
-----RATE CARDS

(rates as agreed at 1.12.90)

1. RATE CARD FOR M.F. STATIONS

FACTOR -----	ANNUAL RATE -----
EXCLUSIVE BUILDING ACCOMMODATION	(pounds)20 per sq.m (min charge (pounds)200) for first 100 sq.m thereafter charged at (pounds)10 per sq.m.
FEE FOR EARTH MAT AREA (on or adjacent to a Station)	(pounds)15 per 10 sq.m
COMMON BUILDING ACCOMMODATION	(pounds)125 per sq.m
COMMON EQUIPMENT (AE (MAST) Feeders Cu)	(pounds)102 per (pounds)1000 capital value

Notes:

(1) Exclusive Building Accommodation Applied in full, all cases

(2) Earth Mat are applied in full - if a Sharer's exclusive Facility.
Applied 50:50. if common Facility. To include Station Owner's rent/rates for the
land under which the Earth Mat is situated.

(3) Common Building Accommodation Applied 50%

To include replacement of building and other site works

(4) Common Equipment Capital contract value for
replacement to be estimated then
annual rate applied. Total to be
apportioned on basis of number of
services sharing the Facility(5) Reference should be made to the details of the components and
operation of the rate card in part A of this Schedule.

2. RATE CARD FOR NON-MF STATIONS

FACTOR -----	ANNUAL RATE -----
EXCLUSIVE BUILDING ACCOMMODATION	(pounds)20 per sq.m (min charge (pounds)200) for first 100 sq.m thereafter charged at (pounds)10 per sq.m.
COMMON BUILDING ACCOMMODATION	(pounds)125 per sq.m.
COMMON EQUIPMENT (AE Feeders Cu)	(pounds)102 per (pounds)1000 capital value

ANTENNA/FEEDER HEIGHT:

NUMBER OF FEEDERS
-----2 off 1 off
Feeder Size

6 1/8"	(pounds)100/m	(pounds)50/m
5"	(pounds)66/m (pounds)33/m	

4 1/8"	(pounds)46/m (pounds)23/m
--------	---------------------------

3 1/8"	(pounds)26/m (pounds)13/m
--------	---------------------------

Smaller	(pounds)10/m (pounds)10/m
---------	---------------------------

ANTENNA WINDLOAD	less than 20m	a.g.l.(pounds)500 per sq.m
20-50m	a.g.l. (pounds)800 per sq.m	
50-100m	a.g.l. (pounds)900 per sq.m	
greater than 100m	a.g.l. (pounds)1000 per sq.m	

Notes

- | | | |
|-----|-------------------------------------|----------------------------|
| (1) | Exclusive Building
Accommodation | Applied in full, all cases |
| (2) | Common Building
Accommodation | Applied 50% |

To include replacement of building and other site works on Station

- | | | |
|-----|-----------------------|--|
| (3) | Common Equipment | Capital contract value for
replacement to be estimated
then annual rate applied.
Total to be apportioned on
basis of number of services
sharing the Facility. |
| (4) | Antenna/Feeder Height | Applied in full, if Sharer's
Exclusive Equipment Applied
50:50 if Common Equipment. |
| (5) | Antenna Windload | Applied in full, if Sharer's
Exclusive Equipment. Applied
50:50 if Common Equipment. |

Manufacturers data to be used.

- (6) Reference should be made to the details of the components and operation of the rate card in part A of this Schedule.

Note:

- - - - -

This rate card is applicable to the Stations used for non-MF radio, for TV only (where not a Standard TV Station), and Stations used for both TV and non-MF radio. If a Station is used by the Sharer for TV and MF radio, rate cards 1 and 2 are applicable.

3. RATE CARDS FOR STANDARD TV STATIONS

- (1) Only Stations used by the Sharer for television only may be standard Stations and only in respect of channels BBC1, BBC2, ITV (or Channel 3), Channel 4 and S4C.
- (2) The rate card fee for Standard TV Stations is a fixed fee (subject to review). Whichever of the Sharer's Broadcast Channels has the highest maximum nominal operating power is used to determine which fixed fee applies.

LESS THAN 10 WATTS

- - - - -

FACTOR - - - - -	ANNUAL RATE - - - - -
COMMON BUILDING ACCOMMODATION	(pounds)753
COMMON EQUIPMENT	(pounds)555
ANTENNA HEIGHT/WINDLOADING	(pounds)442
	- - - - -
	(pounds)1,750
	- - - - -

10 - 49 WATTS INCLUSIVE

FACTORS -----	ANNUAL RATE -----
COMMON BUILDING ACCOMMODATION	(pounds)748
COMMON EQUIPMENT	(pounds)720
ANTENNA HEIGHT/WINDLOADING	(pounds)1032

	(pounds)2,500

Note:

Reference should be made to the details of the components and operation of the rate card in part A of this Schedule.

SCHEDULE II

PART I

PART C

ANNUAL REVIEW OF THE RATE CARDS

1. Up until 31st December, 1996 each annual rate set out in the rate cards shall be subject to an adjustment (either an increase or a decrease) on 1st January in each year beginning with 1st January, 1992 (an "Adjustment Date") calculated by multiplying the then current annual rate set out in the rate cards by a fraction of which the Basic Index Figure is the denominator and the Current Index Figure is the numerator. For this purpose:
 - (a) "Current Index Figure" means the figure for the General Index of Retail Prices (All Items) given in "The Employment Gazette" at 30th September before the Adjustment Date (the "Current Index Date"); and
 - (b) "Basic Index Figure" means the figure for the General Index of Retail Prices (All Items) given in "The Employment Gazette" at 30th September, 1990 or the 30th September prior to the Current Index Date (whichever is the later).
2. If any official cost of living index is published in substitution for the General Index referred to above, references to the General Index shall be read as references to the substituted index and a correction shall be made to the Basic Index Figure to produce a comparable figure to that on which the Current Index Figure is then calculated.
3. After 31st December, 1996 the basis of the annual review of the annual rates set out in the rate cards shall be changed to such other basis as the parties shall agree. Failing agreement the matter may be referred by either party for determination by arbitration in accordance with Clause 15.1 subject as provided in Clause 15.3. Any annual review to take effect prior to such determination shall be on the same basis as set out in paragraphs 1 and 2 above.

SCHEDULE II

PART II

(Maintenance Fee)

A. Calculation of Annual Maintenance fee

The annual maintenance fee shall be 45% of the annual rate card fee from time to time and shall be invoiced as part of the Licence fee.

B. Annual Review Provision

The parties agree to review this percentage figure on an annual basis and a different percentage figure shall be substituted if so agreed.

SCHEDULE II

PART III

(Multi-Couple Fee)

(annual review provisions)

1. Up until 31st December, 1996 the multi-couple fee shall be subject to an adjustment (either an increase or a decrease) on 1st January in each year beginning with 1st January, 1992 (an "Adjustment Date") calculated by multiplying the then current multi-couple fee by a fraction of which the Basic Index Figure is the denominator and the Current Index Figure is the numerator. For this purpose:
 - (a) "Current Index Figure" means the figure for the General Index of Retail Prices (All Items) given in "The Employment Gazette" at 30th September before the Adjustment Date (the "Current Index Date"); and
 - (b) "Basic Index Figure" means the figure for the General Index of Retail Prices (All Items) given in "The Employment Gazette" at 30th September, 1990 or the 30th September prior to the Current Index Date (whichever is the later).
2. If any official cost of living index is published in substitution for the General Index referred to above, references to the General Index shall be read as references to the substituted index and a correction shall be made to the Basic Index Figure to produce a comparable figure to that on which the Current Index Figure is then calculated.
3. After 31st December, 1996 the basis of the annual review of the multi-couple fee shall be changed to such other basis as the parties shall agree. Failing agreement the matter may be referred by either party for determination by arbitration as provided in Clause 15.1 of the agreement subject as provided in Clause 15.2. Any annual review to take effect prior to such determination shall be on the same basis as set out in paragraphs 1 and 2 above.

SCHEDULE III

(the draft Site Licence)

England and Wales
(see attached)

(for elsewhere See Clause 6.1.1. of Agreement)

SITE SHARING LICENCE
(print in duplicate)

DATE -----

PARTICULARS:

"The Station Owner" -----
"The Sharer" -----
"The Station" -----
"The Access Date" -----
"The operational commencement date" -----
"Duration of the Term" -----

"The Licenase Fee": -----
(i) "Annual rate card fee" -----
(ii) "Annual maintenance fee" -----
(iii) "Annual special fees" -----
(iv) "Annual electricity fee" -----
(v) "Multi-couple fee" -----
Total -----

"The Standard Terms and Conditions of Contract" shall mean the printed terms
supplied to the Sharer by the
Station Owner (ref
STAN.COND.1.1.1991 BBC/NTL)

"The Special Terms and Conditions" no. of pages annexed -----
if any/NONE -----

IT IS AGREED:

The Station Owner shall provide and the Sharer shall enjoy the Facilities for the Sharer's Exclusive Equipment at the Station for the duration of the term subject to and in accordance with the Standard Terms and Conditions of Contract hereunder and the Special Terms and Conditions (if any) and in consideration of the payment by the Sharer to the Station Owner of the Licence fee. (Where there is any discrepancy between the Standard Terms and Conditions of Contract and the Special Terms and Conditions the Special Terms and Conditions shall prevail)

IN WITNESS:

Signature for and on behalf of the Station Owner	-----
Signature for and on behalf of the Sharer	-----

STANDARD TERMS AND CONDITIONS OF CONTRACT

(ref. STAN.COND.1.1.1991 BBC/NTL)

The following rights and conditions shall be observed by the parties in any Site Sharing Licence granted by the Station Owner to the Sharer (hereinafter referred to as "the Licence"). All standard terms will be incorporated unless excluded by special terms.

The following definitions shall apply to the Licence save where the context requires otherwise:-

"Access Date" shall mean the date the Sharer is first allowed access to the Station by the Station Owner to exercise any of the Rights as set out in the Licence.

"Accommodation" shall mean any Station Owner's land buildings or parts of buildings and structures (including without limitation masts and towers) used to house or bear Equipment and/or generally used for, or for purposes ancillary to, the provision of Technical Services situated at or adjacent to and serving a Station (including without limitation private access ways, paths and private roads in or leading to a Station).

"approved contractor" shall mean a person or team of persons reasonably considered by the Station Owner to be properly trained, qualified and experienced to carry out unsupervised any kinds of works herein permitted (or in its context approved by the Local Distribution Company eg electricity plant).

"BBC/NTL Agreement" shall mean the agreement made between the British Broadcasting Corporation and National Transcommunications Limited dated the day of 1991.

"Broadcasting" shall mean transmission by means of wireless telegraphy within the frequency bands allocated to broadcasting in the United Kingdom by the Department of Trade and Industry (DTI) in consultation with the International Telecommunications Union.

"Broadcast Channels" shall mean any of:

- (1) in the case of the BBC
 - (i) the BBC1 television broadcasting service;
 - (ii) the BBC2 television broadcasting service;
 - (iii) any BBC national radio sound broadcasting service; or
 - (iv) any BBC local radio sound broadcasting service;
- (2) in the case of NTL
 - (i) the ITV system of television broadcasting services (as a whole) -until 1st January 1993;
 - (ii) the Channel 3 system of television broadcasting services (as a whole) - from 1st January 1993;
 - (iii) the Channel 4 television broadcasting service;
 - (iv) the S4C television broadcasting service; or
 - (v) any independent radio local sound broadcasting service;
- (3) and may include Other Broadcast Channels as defined in and subject to the

terms of the BBC/NTL Agreement and in each case, for the purposes of the Licence shall include any teletext services or any other data transmission services and any additional services as defined under s48(1) or s114(1) of the Broadcasting Act 1990, from time to time included as part of the same transmission.

"Common Accommodation" shall mean Accommodation use of which is shared by the Station Owner (and/or any Licensee) and the Sharer (and/or any Sub-Licensee).

"Common Equipment" shall mean any Equipment use of which is shared by the Station Owner (and/or any Licensee) and the Sharer (and/or any Sub-Licensee).

"due date" shall mean the date 28 days after the date of the invoice to which it relates.

"Equipment" shall mean any Broadcasting transmission equipment, antennas, plant, cables, wires, and apparatus or any other equipment used for or ancillary to Technical Services.

"Exclusive Equipment" shall in its context mean either:-

- (a) in relation to the Station Owner, the Equipment owned and used exclusively by it and/or any Licensee; or
- (b) in relation to the Sharer, the Equipment owned and used exclusively by it and/or any Sub-Licensee

"Facilities" shall mean shared use by the Sharer of such of the Equipment on the Station and shared or exclusive use by the Sharer, or the Sharer and the Sub-Licensee(s), of such of the Accommodation as may from time to time be agreed between the Station Owner and the Sharer to carry out Technical Services in respect of the Broadcast Channels at the Station.

"Licence fee" as defined, calculated and reviewed in accordance with the BBC/NTL Agreement.

"Local Distribution Company" shall mean the company replacing the former local electricity board and/or the supplier of electricity to the Station as appropriate.

"Operating Procedures Manual" as defined in the BBC/NTL Agreement.

"operational commencement date" as defined in Clause IIa.

"Rights" shall mean rights granted to the Sharer by the Station Owner under this Licence.

"Sharer's Exclusive Accommodation" shall mean Accommodation which is or has been constructed by or for the Sharer or otherwise made available exclusively for the Sharer and/or any Sub-Licensee.

"Sub-Licensee" shall mean any person the Sharer allows to own the Sharer's Exclusive Equipment at a Station.

"Technical Services" shall mean Broadcasting and the provision of services in relation to Broadcasting (including without limitation technical and maintenance services) and ancillary services.

"teletext service" shall mean any service comprising a succession of visual displays (with or without accompanying sound) each being capable of being selected and held for selected viewing or other use.

"Works" shall mean installation, inspection, maintenance, repair, renewals and removal as necessary of the Sharer's Exclusive Equipment on the Station Owner's mast and/or directly connected to the Station Owner's Exclusive Equipment.

I RIGHTS GRANTED BY THE STATION OWNER TO THE SHARER

The Station Owner shall permit the Sharer:

- a. The right for the Sharer, its employees and its Sub-Licensees to share such of the Common Accommodation and Common Equipment at the Station for Technical Services in respect of the Broadcast Channels in common with others including the Station Owner as the Station Owner may from time to time approve (such approval not to be unreasonably withheld or delayed).
- b.1 The right for the Sharer, its employees and any approved contractor to install, inspect, maintain, repair, renew and remove as necessary the Sharer's Exclusive Equipment at the Sharer's own expense in such locations on the Station as the Station Owner shall from time to time approve other than the Works.
- b.2 The Works shall be carried out by the Station Owner, or its employees, or its contractors at the Sharer's expense, (unless otherwise agreed by the parties), which expenses shall be in addition to the Licence fee and shall include reimbursing the Station Owner for any costs properly incurred in obtaining any planning consents and the preparation of plans showing the proposed antennas, wiring and manner of linking, fixing and erection of the same.
- c. The right to house the Sharer's Exclusive Equipment in Common Accommodation in common with others permitted by the Station Owner.
- d.1 The right to house the Sharer's Exclusive Equipment in Sharer's Exclusive Accommodation. The Sharer's Exclusive Accommodation shall be;
 - (i) provided by the Station Owner; or
 - (ii) erected by the Station Owner at the Sharer's entire cost; or
 - (iii) erected under the Station Owner's supervision by the Sharer or any approved contractor at the Sharer's entire cost

and in either Clause I d.1(ii) or I d.1(iii) above such costs shall include the costs properly incurred by the Station Owner in obtaining any necessary planning consents and any architects, surveyors and other professional fees properly incurred.
- d.2 The right to erect any new Sharer's Exclusive Accommodation as described in this Clause Id is subject to the Station Owner's prior written approval of the specification and positioning of the same (such approval not to be unreasonably withheld or delayed).
- d.3 Irrespective of the costs paid by the Sharer, the Station Owner shall own all the Sharer's Exclusive Accommodation, save in the circumstances set out in Clause Id.1(iii) above, where ownership shall not vest in the Station Owner until completion of the construction of the Sharer's Exclusive Accommodation.
- e. Subject as herein provided, the right to use the Sharer's Exclusive Equipment for Technical Services in respect of its Broadcast Channels for the duration of the Licence.
- f. Subject to Clause 10.1.3(2) of the BBC/NTL Agreement and without prejudice to Clause I g. below, subject to the reasonable regulations and instructions from time to time imposed by the Station Owner for the better security, safety and management of the Station the right

for the Sharer and its duly authorised employees, approved contractors and its Sub-Licensees to obtain admittance to the Station over and along any private way leading to the Station boundary which is under the control of the Station Owner (either with or without motor vehicles as the Station Owner shall decide) at all reasonable times and as often as the Sharer shall reasonably require to exercise the Rights herein.

- g. The right with effect from the Access Date of access to and egress from the Station as necessary for the Sharer, its employees, Sub-Licensees and approved contractors to exercise the Rights, to the extent that the Station Owner is able to grant the same, (but otherwise in accordance with the provisions of Clauses II f. and II g. hereto).
- h. The right to grant sub-licences but only for the purposes of the Broadcast Channels, in favour of the Sub-Licensees (and otherwise only in accordance with the terms permitted by the BBC/NTL Agreement).

II COVENANTS BY THE SHARER IN FAVOUR OF THE STATION OWNER

The Sharer agrees that:

- a. In consideration of the Rights and the Licence it shall pay to the Station Owner the Licence fee together with VAT thereon (if applicable) from the operational commencement of Broadcasting of any of the Sharer's Broadcast Channels from the Station disregarding test transmissions ("the operational commencement date") and for the duration of the term of the Licence, free of all deductions.
- b. It shall pay the Licence fee monthly in advance by the due date or otherwise in such instalments as the parties shall agree (and pro-rata for any period of less than a year from the operational commencement date).
- c. It shall pay any costs properly incurred under Clauses I b. and I d.1(ii) and (iii), II g.(ii), II d.d., III 2. and III 4.b. herein by the due date of the Station Owner's invoice in respect of such costs, or otherwise at such times and in such instalments as the parties shall agree.
- d. It shall pay and discharge in addition to the Licence fee all rates, taxes (other than the Station Owner's corporation tax or business rates assessed for the Station) and other charges, including, if required by the Station Owner, reimbursement to the Station Owner of any rents imposed on the Station Owner by any superior landlord of the Station Owner in respect of the Station levied by reason or in direct consequence of the grant of the Rights and the Licence (or otherwise indemnify the Station Owner in respect of the same). Where any of the above are annually recurring by nature they shall be included as part of the Licence fee as the annual special fees.
- e. It shall not exercise the Rights unless or until:-
 - (i) the Station Owner's prior approval (not to be unreasonably withheld or delayed) to provide the Facilities required by the Sharer has been given (other than Facilities already in place at the date of the Licence for which such prior approval shall be deemed to have already been given).
 - (ii) the Sharer has approval (if applicable) of the Department of Trade and Industry or its statutory equivalent to the proposed operating frequencies of the Sharer's Exclusive Equipment.
 - (iii) the Sharer has procured the conformance with any general and local Acts and Orders of Parliament of the Sharer's Exclusive Equipment and has procured that all clearances or consents (other than planning consents to be obtained by the Station Owner on behalf of the Sharer - at the Sharer's expense) necessary and lawfully to

install and operate the Sharer's Exclusive Equipment have been obtained and shall produce the same on request to the Station Owner.

- (iv) the Station Owner has confirmed that any planning consents which it has agreed to obtain on behalf of the Sharer have been so obtained (other than Facilities already in place at the date of the Licence for which such prior agreement shall be deemed to have already been obtained).
- (v) the person(s) employed by the Sharer to carry out installation of the Sharer's Exclusive Equipment herein is an approved contractor.

f. Where entry to the Station is not via a public highway but via an access way controlled by a third party and the Sharer has been notified that the Station Owner cannot grant rights of access over such access way the Sharer accepts that it shall be required to negotiate such rights for itself its employees Sub-Licensees and approved contractors at its own cost prior to exercising such rights but otherwise access to the Station boundary shall be at no extra charge (save only as herein provided) and shall be exercised by the Sharer and those authorised by it as aforesaid as reasonably directed from time to time by the Station Owner.

g. Where the Station Owner permits access to or egress from the Station involving the use of any road path or other land which is not a highway maintainable at public expense the Sharer accepts that it shall be required to:-

- (i) observe or cause to be observed all regulations relating to the weight, type and specification of vehicles to be used on such road path or other land as the Station Owner shall reasonably direct; and
- (ii) pay to the Station Owner in addition to the Licence fee and to any other charges herein the cost of making good (to the Station Owner's reasonable satisfaction) any damage (fair wear and tear excepted) caused by the Sharer or any of its employees, Sub-Licensees or approved contractors to such road, path or other land, save where such payment is included in the maintenance fee element of the Licence fee in accordance with the provisions of Part 3 Clause 1.1.1 of the Operating Procedures Manual.

h. Where any of the Sharer's Exclusive Equipment is to be placed on, above or below ground outside the Station boundary and where the Station Owner is not otherwise able to grant any such rights of installation over the same the Sharer shall obtain, at its sole expense, the agreement of any other party or parties having an interest in such areas prior to installation and shall indemnify the Station Owner fully in this respect.

i. The Sharer, its employees, Sub-Licensees and approved contractors shall only visit and obtain admittance to the Station and exercise the Rights subject to all reasonable regulations and instructions made from time to time by the Station Owner to protect the Station and other users thereof and to control as necessary the number, supervision and times of such visits for the orderly management of the Station.

j. It shall ensure that whilst at the Station its employees, Sub-Licensees and approved contractors shall behave in a responsible manner and comply with all the Station Owner's reasonable security and/or safety requirements.

k. It shall keep the Sharer's Exclusive Equipment (other than any of the Works, which shall (save by special arrangements only) be maintained by the Station Owner in accordance with the provisions herein contained) properly maintained in good and sufficient working order and repair to the Station Owner's reasonable satisfaction. It shall keep any Common Accommodation or Sharer's Exclusive Accommodation clean and tidy and free from its own

rubbish and shall not obstruct or cause to be obstructed any passages, paths, access ways and fire escapes on or serving the Station.

- l. It shall procure that the Sharer's Exclusive Equipment is identifiable as the Sharer's.
- m. It shall provide the Station Owner with an agreed method of switching off the Sharer's Exclusive Equipment provided that it is agreed that the Station Owner shall only switch off the Sharer's Exclusive Equipment:-
 - (i) in the event of any life or property threatening emergency, or
 - (ii) where any interference caused by the Sharer's Exclusive Equipment is creating significant degradation to the services of other users of the Station (including the Station Owner) and after taking all reasonable measures to contact and inform the Sharer that such degradation exists and where practicable to do so the Station Owner has allowed the Sharer a reasonable period to remedy any such interference caused by the Sharer's Exclusive Equipment but the degradation still exists, or
 - (iii) if required to do so by the Department of Trade and Industry (or its statutory successor or equivalent), or
 - (iv) with the agreement and at the request of the Sharer, or
 - (v) otherwise in accordance with the specific provisions herein contained (or (if applicable) as contained in the Operating Procedures Manual.
- n. The Sharer shall be responsible for keeping the interior of the Sharer's Exclusive Accommodation in reasonable repair and condition.
- o. The Sharer shall use all reasonable endeavours to maintain its Exclusive Equipment in proper working order and condition. It shall use all reasonable endeavours not at any time electrically or physically to impair disrupt interfere with or interrupt the Station Owner's Broadcast Channels, or any of the Station Owner's third party users emissions, or cause damage to the Equipment, Accommodation or any third party users equipment and forthwith shall use all reasonable endeavours to repair any faults in the Sharer's Exclusive Equipment which cause interference and fully indemnify the Station Owner against any costs properly incurred in remedying any such damage.
- p. It shall not erect or cause to be erected any buildings or structure or other erection on the Station, save as provided in Clauses I.b and I.d above. None of the Sharer, its employees, Sub-Licensees or its approved contractors shall make any alterations or additions to any part of the Station the Station Owner's Exclusive Equipment or to Common Equipment or Common Accommodation unless expressly permitted to do so by the Station Owner. None of the Sharer, its employees, Sub-Licensees or its approved contractors shall make any alterations or additions to the Sharer's Exclusive Accommodation or to the Sharer's Exclusive Equipment without the prior written consent of the Station Owner (such consent not to be unreasonably withheld or delayed). Such consents aforesaid shall also be subject (if necessary) to the Station Owner obtaining any planning consents (the costs of which must be met by the Sharer), (provided that and without prejudice to the generality of the foregoing in the case of any new building or any alterations or additions to the Sharer's Exclusive Equipment this may also give rise to an adjustment of the Licence fee on completion of such alterations and additions) as provided in the BBC/NTL Agreement.
- q. It shall during its visits to the Station observe the Station Owner's regulations for safety and security insofar as usage by its employees, Sub-Licensees and approved contractors is concerned and in the event of any damage being caused to the Station or any chattels thereon belonging to the Station Owner or any third party in consequence of the exercise of the

Licence by the Sharer, its employees, Sub-Licensees or approved contractors to forthwith reinstate the same to the Station Owner's reasonable satisfaction (or where the Station Owner reasonably requires it shall reimburse the Station Owner with the full costs and expenses properly incurred of its carrying out such reinstatement on the Sharer's behalf).

- r. It shall switch off the Sharer's Exclusive Equipment when requested to do so on being given reasonable prior notice in the case of planned access, or forthwith in cases of emergency by the Station Owner or its employees or contractors in order to enable safe access to be gained to any mast on the Station or to the Station Owner's Exclusive Equipment and to keep the Sharer's Exclusive Equipment so switched off until all persons and their equipment have vacated the mast and the Station Owner's Exclusive Equipment as aforesaid.
- s. In the event of any interference caused to the Station Owner's emissions or to those of any other lawful third party users of the Station by the Sharer's Exclusive Equipment it shall forthwith either eliminate the interference or, where there is significant degradation which cannot be remedied in such time as the Station Owner shall reasonably require, to switch off the Sharer's Exclusive Equipment until such time as the interference has been eliminated the cost of such measures to be borne by the Sharer in any event (subject also to the provisions of Clause II.m).
- t. Not to erect or permit or suffer or allow to be erected any sign notice or advertisement on the Station (save as herein expressly provided).
- u. To satisfy the Station Owner prior to installing the Sharer's Exclusive Equipment as herein permitted that all proper precautions will be taken to prevent fire damage and that the provisions of the Health and Safety at Work Act 1974 or any regulations made thereunder and all other applicable statutory provisions and any reasonable additional precautions laid down by the Station Owner for the protection of the Station and the Facilities and the safety of personnel and equipment will be complied with regardless of whether or not such works shall be supervised by the Station Owner. This will include, without prejudice to the generality of the foregoing, a requirement for the Sharer to provide at its own cost all necessary fire fighting equipment and safety clothing for use in respect of its Exclusive Accommodation (if any) and its Exclusive Equipment.
- v. Not to light or permit or suffer or allow to be lit any fire on the Station or on any access thereto nor block or obstruct nor permit or suffer or allow to be blocked or obstructed any fire exits or access for fire fighting equipment thereon.
- w. It shall under no circumstances permit any of its employees, Sub-Licensees or its approved contractors or any third party to reside at the Station.
- x. It shall in exercising the Rights procure that its employees, Sub-Licensees and approved contractors do not cause any nuisance or annoyance or undue noise to the Station Owner or any neighbouring owners or occupiers and do not drive or walk over any private land or property adjoining the Station over which rights have not been granted under the Licence, or otherwise, and that they shall secure any doors and gates after use.
- y. It shall (if so required by the Station Owner) within three months of the termination of the Licence procure the removal by an approved contractor of the Sharer's Exclusive Equipment and any Sharer's Exclusive Accommodation erected under Clause I.d.1(ii) and (iii) from the Station making good any damage caused by such removal to the Station Owner's reasonable satisfaction or in default pay to the Station Owner on demand the costs properly incurred by the Station Owner in so removing and reinstating together with interest calculated on a daily basis from the 14th day after the date of written demand until payment is received by the Station Owner at 4% per annum above the minimum base rate of Barclays Bank PLC applicable from time to time.

- z. The Station Owner may require and/or permit the Sharer to negotiate and arrange for the installation of a separately metered electricity supply to the Sharer's Exclusive Equipment. However until such requirement is made and/or permission given and the separate supply is connected the Sharer agrees that it shall pay the annual electricity fee element of the Licence fee to reimburse the Station Owner for the cost of electricity supplied to the Sharer. The Station Owner may reasonably adjust the annual electricity fee to take into account each permitted connection by a Sub-Licensee, or any agreed changes to the Sharer's Exclusive Equipment or adjustments in the tariff rate in accordance with the BBC/NTL Agreement.
- a.a. Subject to Clause z above the Sharer shall be responsible for negotiating such services (eg electricity and telephone) as it may require, subject to approval of the Station Owner as to where such services pass in on over or under the Station and any adjacent land or premises in which the Station Owner has a relevant proprietary interest (such approval not to be unreasonably withheld or delayed).
- b.b. Save where any Sharer's installations or the Works are to be carried out by the Station Owner or its employees or contractors as herein provided the Sharer, its employees or its approved contractors (or its Sub-Licensee as permitted in the BBC/NTL Agreement) shall install, inspect, maintain, repair, renew and remove as necessary the Sharer's Exclusive Equipment at the Sharer's sole risk and the Sharer shall indemnify the Station Owner against all actions suits proceedings claims demands costs charges and expenses whatsoever which may be taken or made against the Station Owner arising from the execution thereto. Such indemnity is to include:-
- (1) loss of revenue (if any) to the Station Owner through complete or partial breakdown or inability to transmit the Broadcast Channels and/or maintain its Technical Services
 - (2) damage to the Accommodation and Equipment
 - (3) damage to the property or persons of the Station Owner's employees
 - (4) claims against the Station Owner by third parties (which may include claims for loss of revenue as well as accidental damage to property)
- The Station Owner shall as soon as possible notify the Sharer of any such claims or demands and shall not compound settle or admit the same without the consent of the Sharer who may, at its own expense, and with the Station Owner's consent, dispute or settle the same in the name and on behalf of the Station Owner. The Station Owner shall give the Sharer (but at the Sharer's expense) all reasonable assistance that the Sharer may require for such purposes. Nothing contained in this Clause II.b.b. shall be deemed to restrict or interfere with any rights of the Sharer against the Station Owner (or vice versa) or any other person in respect of contributory negligence.
- c.c. It shall insure and maintain insurance sufficient to cover the indemnities required in Clause II b.b. above with an insurer of repute with a note of the Station Owner's interest as Station Owner and licensor of the Station endorsed on the policy of every such insurance and provide evidence of such policy and evidence of payment of premiums on reasonable request from the Station Owner.
- d.d. To the extent that the same is not covered by the indemnity in Clause II b.b. above, the Sharer shall bear the properly incurred expenses of the Station Owner in making good any damage loss or injury to the Accommodation and Equipment in consequence of the exercise of the Licence by the Sharer, other than in consequence of any negligent act or omission on the part of the Station Owner.
- e.e. In exercising all the Rights the Sharer shall procure that the Station is kept secure and shall provide the Station Owner with a set of keys to the Sharer's Exclusive Equipment in

accordance with such operating procedures agreed between the parties from time to time.

- f.f. It shall procure that its Sub-Licensees shall contract with the Sharer not to do or omit to do anything which if done or omitted to be done by the Sharer would be a breach of these conditions.
- g.g. The Sharer shall only grant a sub-licence to a third party where Equipment owned by the third party is to be located on the Sharer's Exclusive Accommodation and/or is to be connected directly to the Sharer's Exclusive Equipment (save as otherwise permitted under the BBC/NTL Agreement).
- h.h. The Sharer shall terminate any sub-licence to a Sub-Licensee forthwith on the expiry or sooner determination of the Licence.
- i.i. The Sharer shall also terminate any sub-licence as required by Clause 10.2 or as made necessary pursuant to the provisions of Clauses 10.4 to 10.5 (inclusive) of the BBC/NTL Agreement.

III COVENANTS BY THE STATION OWNER IN FAVOUR OF THE SHARER

In consideration of the Licence fee and the further payments by the Sharer to the Station Owner (as herein provided) the Station Owner shall:-

1. Subject to obtaining all necessary planning consents and other statutory clearances provide the Facilities.
2. Install maintain repair replace and remove the Works as reasonably requested by the Sharer under the terms hereof and at the Sharer's cost.
3. Unless and until it permits the Sharer to have its own separate electricity supply to the Sharer's Exclusive Equipment use all reasonable endeavours to supply such electricity where the Sharer reimburses the Station Owner for the cost of the same under the Licence fee, provided always that the Station Owner shall not be held responsible by the Sharer for any failure or interruption to the electricity supply or be held liable for any costs or damage arising in consequence thereof and provided also that if the Station Owner obtains a discounted price for bulk purchase of electricity it shall nevertheless not be required to discount the cost to the Sharer at the Station to a price below the standard unit tariff price of the Local Distribution Company unless such discounted price recovery is solely attributable to the Sharer's and/or its Sub-Licensees usage. The discounted price recovery shall be considered to be solely attributable to the Sharer's (and/or any Sub-Licensee's) usage if the usage attributable to the Sharer and/or any Sub-Licensee is sufficient of itself to obtain the discounted price recovery and the usage attributable to the Station Owner and/or any Licensee is not so sufficient.
4. Maintain:-
 - (a) the Common Accommodation and Common Equipment; and
 - (b) at the Sharer's expense the exterior and structure of any Sharer's Exclusive Accommodation;

during the term hereof in reasonable repair and condition, provided that the Station Owner shall not be liable for any breach of this Clause or of the other Clauses hereof where it is prevented from so doing for any reason beyond its reasonable control.

IV IT IS MUTUALLY AGREED BY THE STATION OWNER AND THE SHARER THAT:

1. The Licence

- (a) may be terminated in pursuance of any of the provisions of Clauses IV 4 and IV 6;
- (b) shall be terminated by either party giving to the other six months prior written notice provided that the Station Owner shall only serve such notice where its rights to continue the Licence are determined by reasons beyond its reasonable control, (such as where the Station Owner is unable to renew its rights to occupy any land or buildings comprised in the Station and/or where renewal is only available on unreasonable terms);
- (c) shall be terminated at the end of the Licence term;
- (d) may be terminated by a party forthwith by notice in writing to the other if the other shall commit a material breach of any of the obligations on its part to be performed or observed hereunder and, in the case of a breach capable of rectification, shall fail to initiate steps to rectify the same within 30 days after notice is given to it by the party not in breach requiring such rectification, or shall fail to continue thereafter with all reasonable speed to complete such rectification;
- (e) may be terminated by either party forthwith by notice in writing to the other party if that other party ceases to carry on or ceases legally to carry on a broadcast transmission business or function;
- (f) shall be terminated in accordance with the terms of the BBC/NTL Agreement or otherwise forthwith on termination of the BBC/NTL Agreement;

without prejudice to any antecedent claims arising out of the Licence prior to the date of termination.

- 2. Save to the extent that monies are payable under any third party insurance policy or policies affected by third party contractors, no liability shall attach to the Station Owner its employees or contractors in respect of the performance safety or suitability for its purpose of any of the Sharer's Exclusive Equipment, whether the installation of the same was supervised or carried out by, or on behalf of, the Station Owner, or by the Sharer, or by the Sharer under the Station Owner's supervision. The indemnity given by the Sharer in Clause II b.b. above remains in full force and effect, notwithstanding that the Station Owner has performed the Works, or has contracted separately with the Sharer to perform any maintenance contract in respect of any works to the Sharer's Exclusive Equipment.
- 3. Save for payments due under Clause II y. above, if any payments under the Licence are not made on the due date then without prejudice to any other rights which the Station Owner may have the Sharer shall pay interest on the outstanding amount from the date when that amount became due until payment at the rate of 4% above Barclays Bank PLC base rate applicable during the time of non- payment.
- 4. The Station Owner may notwithstanding and without prejudice to its rights under Clause IV.1 above, switch off the Sharer's Exclusive Equipment and determine the Licence forthwith without incurring any liability to the Sharer and/or any Sub-Licensee for the results of such an act if:-
 - (a) the Sharer fails to make any payment to be made under the Licence which is in arrears and unpaid following the due date, within 14 days of receiving notice from the Station Owner, that the Sharer's Exclusive Equipment will be switched off unless the Station Owner receives the outstanding payment together with the interest due

thereon (such notice to be served not earlier than the due date); or

- (b) the Sharer fails or neglects to initiate steps to remedy within 30 days after notice is given by the Station Owner requiring such remedy or if the Sharer fails to continue thereafter with all reasonable speed to complete such remedying of a material breach of any of the covenants, agreements or conditions in the Licence and on the part of the Sharer to be performed and observed; or
- (c) the Sharer shall enter into any composition with its creditors or suffer any distress or execution to be levied on its goods on the Station or if the Sharer shall enter into liquidation; or
- (d) any planning consent or licence referred to under Clause I d.1 is revoked.

Further the Sharer will indemnify and save harmless the Station Owner against any expense or liability which it may incur as a result of such action and without prejudice to any right of action or remedy of the Station Owner in respect of any antecedent breach of any of the conditions imposed on the Sharer herein contained.

- 5. In the event that the exercise of the Rights are interrupted at any time due to an act of God or any other reason beyond the reasonable control of the Station Owner and provided that such interruption is not caused in whole or in part by any act or neglect of the Sharer, its employees, Sub-Licensees or approved contractors then during the period of such interruption the Licence fee payable under the Licence may be suspended in whole or in part (according to the extent of such interruption to be decided at the reasonable discretion of the Station Owner) but the Station Owner shall not be liable for any further loss to the Sharer or others claiming through it as a result of such interruption.
- 6. In the event that the interruption referred to in Clause IV 5. continues for a period in excess of six months then either the Station Owner or the Sharer may by written notice to the other terminate the Licence forthwith (but without prejudice to any liability arising herein prior to such date of termination).
- 7. Each party shall bear its own legal fees in connection with the preparation of the Licence.
- 8. Nothing in the Licence and these conditions is intended to create nor shall be treated or construed as creating the relationship of landlord and tenant between the parties hereto or the Station Owner and the Sub-Licensees, as defined under the Landlord and Tenant Act 1954 or any statutory amendment or replacement thereof.
- 9. The Licence is personal to the Sharer who shall not be entitled to assign the same or any benefit or any of the rights arising under it and in particular the Sharer shall not confer any rights under the Licence to any Sub-Licensee save as permitted by the Licence.
- 10. The Station Owner may:-
 - (a) refuse entry to the Station to any person who does not produce suitable documentary identification and authorisation to the Station Owner's representative at the Station, and
 - (b) refuse admittance to or require removal from the Station of any person whose presence is considered undesirable.
- 11. The Station Owner shall be entitled to use the Station and permit others to do so as it may in its absolute discretion permit but not so as to cause any damage or interference to the Sharer's Exclusive Equipment or Sharer's Exclusive Accommodation or its Technical Services in respect of its Broadcast Channels.

12. If the Licence fee review provisions contained in the BBC/NTL Agreement are no longer subsisting or capable of taking effect, then at any time during the subsistence of the Licence, but not more than once in any calendar year, the Station Owner shall have the right to increase the Licence fee by notice in writing as from the date specified in the said notice, to amounts which the Station Owner shall reasonably determine.

SCHEDULE IV

On or after expiration of the Compulsory Period (see Clause 10.8.2) the

following applies:

Where Sharer ceases to provide Where Sharer Provides

Technical Services to the Technical Services to the

Sub-Licensee

(1) Sharer	----- COMMON ACCOMMODATION -----			
terminates sub-licence (with a view to Sub-Licensee obtaining a direct site sharing licence from the Station Owner) (Clause 10.2.(ii))				(1) Sharer remains (Clause 10.1.2.1)
(2) Sharer's Site Licence amended if appropriate (Clause 10.2.(ii))	----- Station Owner Equipment	----- Sub- Licensee Equipment *	----- Sharer Equipment	(2) Sub-licence of Sub-Licensee remains in place (Clause 10.1.2.1)
(1) Sharer terminates sub-licence (with a view to Sub-Licensee obtaining a direct site sharing licence from Station Owner) (Clause 10.2.(ii))	----- COMMON ACCOMMODATION -----			(1) Station Owner right to require Sharer to terminate sub-licence (with a view to Sub-Licensee obtaining a direct site sharing licence from Station Owner) (Clause 10.2.2(i))
(2) Sharer's Site Licence amended or terminated if appropriate (Clause 10.2.(ii))	----- Station Owner Equipment	----- Sub- Licensee Equipment *		(2) Sharer's Site Licence amended or terminated if appropriate (Clause 10.2.(i))

 EXCLUSIVE ACCOMMODATION

- (1) Sharer terminates sub-licence (Clause 10.3)
- (2) Sharer may grant new sub-licence of part of Sharer's Exclusive Accommodation but Sub-Licence must enter into a site licence with Station Owner to retain any

- (1) Sharer remains (Clause 10.1.2.1)
- (2) Sub-licence of Sub-Licence remains in place (Clause 10.1.2.1)

Equipment at the Station other than in the Sharer's Exclusive

 Sharer
 Equipmen
 t

 Sub-
 Licensee
 Equipmen
 t

Accommodation. (Clause 10.3)

- (3) Sharer's Site Licence amended if appropriate (Clause 10.3)

 EXCLUSIVE ACCOMMODATION

- (1) Station Owner right to require Sharer to give up Exclusive Accommodation (Clause 10.5(i))

- (1) Station Owner right to require Sharer to give up Exclusive Accommodation if a third party requests Accommodation at the Station for any services comprised in the Broadcast Channels. (Clause 10.4.(i))

- (2) Sharer's Site Licence amended or terminated if appropriate (Clause 10.5(ii))

 Sub-
 Licensee
 Equipment

- (2) Sharer's Site Licence amended or terminated if appropriate (Clause 10.4.(ii))

 NOTE * (local radio licensee only) (Clause 10.1.2.1)

SCHEDULE V
OPERATING PROCEDURES MANUAL
IN RELATION TO THE STATIONS

OPERATING PROCEDURES MANUAL

DESCRIPTION

This Manual relates to the operational and maintenance practice to be implemented by NTL and the BBC at their respective Stations. The provisions set out in each of the Parts of this Manual and in the Appendices have been agreed by NTL and the BBC, and NTL and the BBC have covenanted with each other to comply with all the provisions of this Manual.

This Manual is divided into nine parts as follows:-

Part 1 General administration.

Part 2 Safety - personnel and equipment.

Part 3 Building, site and access.

Part 4 Electricity supplies.

Part 5 Masts, antennas, combiners, splitters and feeders.

Part 6 Incidents, interruptions and Planned Works

Part 7 Station Owner isolation for mast access.

Part 8 Coincident opening of UHF relay Stations.

Part 9 Priority Stations and response times

PART 1

GENERAL ADMINISTRATION

1: THE FOLLOWING DEFINITIONS SHALL APPLY TO THIS MANUAL

- 1.1 "The Agreement" means the agreement between NTL and the BBC dated day of 1991.
- 1.2 The term "approved" means approved by the Station Owner (or in its context approved by the Local Distribution Company (eg electricity plant) and for practical purposes the parties agree to exchange a list of persons/authorised employees who meet with this requirement)
- 1.3 The term "area" is used in relation to any land, buildings or parts of buildings at a Station which belong to the Station Owner and which can in its context be used exclusively by the Station Owner or used exclusively by the Sharer or used by both the Station Owner and the Sharer and/or others.
- 1.4 The term "authorised" is used for a member of staff of NTL or the BBC, who is approved by either NTL or the BBC to undertake specialist activity, on their respective exclusive equipment or used for a person who is approved by the Station Owner to undertake specialist activity at a Station for either Organisation and the BBC and NTL shall maintain and exchange lists of their respective authorised employees who are approved by the Station Owner in this context.
- 1.5 LR or "BBC LR" is a BBC local radio sound broadcasting service.
- 1.6 The term "Broadcasting Organisation" or "Organisation" refers specifically to NTL or the BBC as appropriate.
- 1.7 The term "common" is used in relation to any equipment and/or area where the use of such equipment or area by the Sharer and/or its Sub-Licensees is permitted by the Station Owner in common with the Station Owner and/or others.
- 1.8 The term "exclusive" is used in relation to any equipment and/or area where in the case of equipment, it belongs to the Sharer (which includes in the context of the Agreement any Sub-Licensee's equipment) and where in the case of an area, it belongs to the Station Owner but the use of the area is exclusive to the Sharer and/or its Sub-Licensees.
- 1.9 The term "Local Distribution Company" means either the company replacing the former electricity board being the supplier of electricity local to a Station and/or the owner of the electricity plant serving the Station other than electricity plant owned by either Organisation, as appropriate.
- 1.10 The term "Maintenance Team" means any authorised employees or other approved contractors of either Organisation.
- 1.11 The term "Mast" means any stayed or free standing antenna support structure or mast/tower radiator.
- 1.12 The term "Mast Access" is a term of reference relating to a procedure for safe working on masts, antennas, feeders and channel combining equipment.
- 1.13 The term "Priority Stations" means those Stations listed in Appendix A of Clause 9 of this Manual.
- 1.14 The term "Programme" or "Services" means any of:-
- (1) in the case of the BBC

- (i) the BBC1 television broadcasting service;
- (ii) the BBC2 television broadcasting service;
- (iii) any BBC national radio sound broadcasting service; or
- (iv) any BBC local radio sound broadcasting service:

(2) in the case of NTL

- (i) the ITV system of television broadcasting services (as a whole) - until 1st January, 1993;
- (ii) the Channel 3 system of television broadcasting services (as a whole) - from 1st January, 1993;
- (iii) the Channel 4 television broadcasting service;
- (iv) the S4C television broadcasting service; or
- (v) any independent radio local sound broadcasting service:

and in each case, for the purposes of this Manual shall include any teletext services or any other data transmission services from time to time included as part of the same transmission.

1.15 "ILR" or "NTL ILR" means an NTL radio local sound broadcasting service.

1.16 "R" is used to denote a BBC national radio sound broadcasting service.

1.17 The "Regional Operations Centre" (ROC) and "Monitoring and Information Centre" (MIC) are the operational control centres for NTL and BBC respectively.

1.18 The "Representative" is the member of staff nominated by the SLM.

1.19 The "Senior Local Manager" (SLM) is the member of staff nominated by either the Station Owner or the Sharer as their immediate reference point for all matters associated with the Station in question (and may include his nominated representative(s) for specific tasks).

1.20 The term "Sharer" identifies the Broadcasting Organisation which shares the Station Owner's Station and otherwise as defined in the Agreement.

1.21 The term "Station Owner" denotes the Broadcasting Organisation which establishes the Station and otherwise as defined in the Agreement.

2: AREAS OF COMMON EQUIPMENT AND ACCOMMODATION MAINTAINED SOLELY BY THE STATION OWNER (OR SOLELY BY A THIRD PARTY IN RELATION TO CERTAIN ELECTRICITY AND BT PLANT)

- a) Masts and common equipment comprising antennas and feeders.
- b) Channel combining and splitting equipment.
- c) British Telecommunications (BT) termination room.
- d) The electricity supply (other than a supply obtained by, solely serving and separately metered for the Sharer).
- e) Common transmitting equipment area.

The point of reference for all visits and minor works (not affecting Programme transmission) at a

Station is the Station Owner's SLM (see also Part I paragraph 4.)

3: ACCESS

- 3.1 Access to common areas is limited to appropriate approved persons.
- 3.2 The Station Owner is responsible for the provision and maintenance of security in the common areas. The Sharer must conform to the Station Owner's security procedures.
- 3.3 Permission to work on the Sharer's exclusive equipment, where it interfaces with common equipment must be obtained from the Station Owner's SLM. Keys for these areas will be held by both Organisations. (See paragraph 3.6 below.)
- 3.4 Entry to the Local Distribution Company's switch room is confined to appropriate approved persons and may be subject to agreement with such company.
- 3.5 Entry to the British Telecom (BT) termination rooms is confined to appropriate approved persons and may be subject to agreement with BT.
- 3.6 Areas of exclusive equipment operated by either party are the sole responsibility of the SLM of the respective Organisation and normally no right of access is enjoyed by the other party without a prior appointment or consent of the other party. In an emergency, staff of either Organisation may enter the exclusive area of the other Organisation to establish the safety of personnel or property. Such access must be notified to the appropriate Organisation as soon as possible thereafter. For emergency access, each Organisation will at each Station hold a key for gaining entry to the secured areas of the other Organisation. The key will normally be kept in a secure glass fronted box wall mounted in a common area or otherwise in a place accessible to the other party.
- 3.7 When planned maintenance by the Station Owner requires action to prevent the powering of the Sharer's equipment, entry by authorised persons may take place on agreed terms. (See also Parts 5, 6 and 7 of this Manual.) On these occasions the Sharer's SLM will provide a key for the use by the Station Owner and instruction will be given on the operation of any security systems.

4: COMMUNICATIONS

- 4.1 For matters concerning Programme transmission all communications must be passed through both Organisations' respective operational control centres i.e. MIC/ROC.
- 4.2 Failures of common equipment must be brought to the attention of the other Organisation, through the appropriate MIC/ROC.

5: SERVICE PRIORITIES

5.1 In Emergencies

- 5.1.1 In the case of an emergency when all Services of the Station Owner and Sharer cannot be restored at full power, reduced power operation of all Services will be employed. If it is not possible to restore all Services the following priorities will normally apply:

- a) NTL STATION OWNER:

TELEVISION:BBC1, ITV (or Channel 3), BBC2, Channel 4 and S4C.
RADIO:R4*, ILR, R1, R2, R3, R5, BBC LR.

- b) BBC STATION OWNER:

TELEVISION:ITV (or Channel 3), BBC1, Channel 4 and S4C, BBC2.

RADIO:ILR, R4*, R1, R2, R3, R5, BBC LR.

* indicates R4 and/or National Regional equivalent.

Note: The parties are agreed that these priorities may (by arrangement) be dealt with differently on Stations which have more than one ILR service.

5.1.2 At radio-only Stations, NTL MF takes priority over NTL VHF and BBC VHF takes priority over BBC MF.

5.1.3 At NTL Stations without a BBC R4 or National Regional equivalent service, BBC LR will take first priority.

5.1.4 During a state of national emergency, a different order of priority may be introduced by the Station Owner or imposed by a competent authority.

5.2: UNDER NORMAL CIRCUMSTANCES

Where Services are being restored under normal conditions (eg following planned maintenance) the Station Owner will ensure that restoration of the Sharer's Services are enabled at or before the time of restoration of the Station Owner's Services. Subject to confirmation from the Station Sharer's SLM that restoration has been enabled, the Station Owner's SLM may proceed with restoration of the Station Owner's Services.

6: INSURANCE

6.1 The Station Owner will be responsible for:

- a) Insurance for the buildings, masts, plant and equipment provided for its own and common use of the Station Owner and Sharer.
- b) Statutory inspection of pressure vessels, lifts and plant provided for its own and for common use of the Station Owner and Sharer.
- c) Providing the Sharer with a proof load certificate for any suspension points supplied as part of the construction of the Sharer's building (if it within paragraph 6.1(a) above).

6.2 The Sharer will be responsible for:

- a) Insurance of its exclusive equipment and areas including buildings, masts, plant and facilities provided for its own exclusive use.
- b) The statutory inspection of pressure vessels, lifts and lifting plant provided for its own exclusive use.

7: CANTEEN

Wherever reasonably practicable the Sharer's staff may use any Station Owner's canteen on a Station. The prices charged will not necessarily be the same as to the Station Owner's staff. The times of meals will be as agreed with the Station Owner's SLM.

8: SHARED AMENITIES

Where available, the Station Owner is responsible for maintaining to a reasonable standard the kitchen, mess room, and toilet facilities in common areas (eg in accordance with Health and Safety Regulation Standards). After use the Sharer must ensure that these facilities and areas are left in a satisfactory condition.

9: STAFF TRANSPORT

Where the Station Owner provides transport for its own staff, and seating space is available, the Sharer's staff may use the transport at no charge according to the journey schedule arranged by the Station Owner.

10:SECURITY

Where the Station Owner or Sharer employs staff and security checks form part of their duties, they will carry out a surveillance of the other Organisation's equipment and secured areas as far as possible, without leaving their normal workplace (without any liability attaching to that Organisation for any failure to perform this provision).

11:SHARED ON-SITE TEST EQUIPMENT

Any malfunction of common test equipment (if any) noted by the Sharer will be reported to the Station Owner as soon as possible with confirmation in writing. If the Station Owner is aware of any unserviceable test equipment it will inform the Sharer.

Unless otherwise agreed with the Sharer, and where reasonably practicable, the Station Owner will replace or repair faulty common test equipment (if any) within one month of the date it was reported.

When reasonably practicable the Sharer will assist by transporting any test equipment.

12:STATION IDENTIFICATION

Stations will be identified by the name which is given by the Station Owner.

PART 2

SAFETY - PERSONNEL AND EQUIPMENT

1:SAFETY PRECAUTIONS

1.1 Each Organisation will work to its own safety regulations. In relation to any works on the Sharer's exclusive equipment which do not take place in the Sharer's exclusive area, the Sharer will require the Station Owner's permission to proceed .

1.2 Each Organisation shall be made aware of the other's arrangements for the emergency isolation of all mains power supplies, by local liaison. Suitable permanent labelling will be provided.

2: FIRE FIGHTING EQUIPMENT

2.1 The Station Owner and the Sharer will be responsible for the provision and maintenance of fire fighting equipment in their own exclusive areas and the Station Owner will be responsible to provide the same in common areas.

2.2 Each Organisation shall be made aware of the other's arrangements by local liaison.

3:FIRST AID

3.1 The Station Owner and Sharer shall each be responsible for providing their own first aid arrangements.

3.2 Where necessary the Station Owner is responsible for supplying and maintaining statutory resuscitation notices in common areas.

4:EMERGENCIES

4.1 Each Organisation may take any emergency action necessary to protect personnel or physical damage to property. The action MUST be reported to the other Organisation at the first opportunity.

PART 3

BUILDING, SITE AND ACCESS

1:SITE ACCESS ROAD AND COMMON AREAS AT ANY STATION BUILDING (THE COSTS TO THE STATION OWNER OF CARRYING OUT THE FOLLOWING WORKS ARE MET FROM THE MAINTENANCE FEE ELEMENT OF THE LICENCE FEE PAYABLE BY THE SHARER FOR THE STATIONS)

1.1 The Station Owner is responsible for any maintenance work at the Station, to any private access road and the common areas of any Station buildings, and any common plant providing the Station with water, common fuel tanks, and all external decoration including external decoration of Sharer's exclusive buildings which have not been purpose built by or for the Sharer.

1.2 The Station Owner will be responsible for maintenance of sewage disposal plants, except where they are provided solely in connection with the Sharer's exclusive building, then the Sharer will be responsible for maintenance work on such exclusive plant.

1.3 Where the Sharer has the use of exclusive areas within a common building or has the exclusive use of a separate building on the Station Owner's site, it will arrange directly for minor non-structural repairs and all internal decorations at its own expense, without any necessary reference to the Station Owner.

2:NEW WORK AND ALTERATIONS/ADDITIONS

The Station Owner's agreement must be obtained for all new building work and external alterations or structural additions requested to be carried out by the Sharer, and the Station Owner where it agrees to such work shall carry out the same at the Sharer's sole cost and the Licence fee for the Station Licence will be adjusted (as necessary) following completion of the works. There may be circumstances where the Sharer with the Station Owner's agreement can carry out its own work.

3:STRUCTURAL REPAIRS AND REPAIRS TO EXTERIOR OF SHARER'S EXCLUSIVE BUILDING (PURPOSE BUILT BY OR FOR THE SHARER)

It is the Sharer's responsibility to identify any structural maintenance and repairs which are necessary in the Sharer's exclusive areas/buildings and inform the Station Owner immediately, who will arrange for the work to be carried out subject to the Sharer refunding the Station Owner's cost or otherwise permit the Sharer to carry out the necessary work subject to supervision by the Station Owner's SLM.

PART 4

ELECTRICITY SUPPLIES

1: PLANNED INTERRUPTIONS (WORKS BY LOCAL DISTRIBUTION COMPANY)

1.1 An "interruption" is a temporary shutdown of a Station's facilities or of common equipment at a Station affecting one or more Service at a Station. On notification by the Local Distribution Company of a planned mains interruption at a Station, the Station Owner's SLM will negotiate with the Local Distribution Company to minimise the disturbance to Programme transmission using the Service priorities listed in Part I para. 5 as a guide in conjunction with the needs of Priority Stations (see Part 9). The SLM will then inform the Station Owner's ROC/MIC who will in turn notify the Sharer's ROC/MIC of the dates proposed for the planned mains interruption.

1.2 In the event of an extended mains supply interruption during Programme hours due to a fault, the Station Owner's staff at the ROC or MIC will:

(a) Ensure that the Local Distribution Company is aware of the mains interruption as soon as possible.

(b) Inform the Sharer's SLM via the ROC/MIC.

1.3 The responsibility for supplying a temporary emergency supply rests with the individual Organisation, irrespective of the Station Owner/Sharer relationship. This will not prevent the Organisations agreeing to provision for a shared temporary emergency supply where conditions make this possible. The costs of providing such a supply in these circumstances would be apportioned.

The responsibility in either case for arranging the provision of emergency supplies is as follows:

(a) BBC: The SLM for the Station concerned.

(b) NTL: The Operations Manager, (OM) at its Regional Operations Centre.

1.4 The SLM/OM (as appropriate) shall be responsible for arranging delivery, connection, operation and return of any mobile plant. No Sharer's mobile plant shall be permitted onto a Station Owner's Station without the Station Owner's prior consent (and supervision where deemed necessary).

2: HIGH VOLTAGE SWITCHGEAR, CO2 INSTALLATIONS AND POWER TRANSFORMER MAINTENANCE

2.1 The Station Owner is responsible for the maintenance of HV switchgear. This is usually dealt with by establishing a maintenance contract with the Local Distribution Company but in some areas this is done by an approved contractor. The Station Owner will make the necessary arrangements and notify the Sharer accordingly. Generally the approved contractor will be expected to provide the necessary spares, however, the Station Owner may be required to obtain special items.

2.2 The ownership of High Voltage equipment is listed in Part 4 Appendix A. At Belmont, Emley Moor and Sutton Coldfield the HV equipment supplying NTL is housed separately from that supplying the BBC.

2.3 A standard specification (Part 4 Appendix B) shows the required maintenance agreed between the parties to be performed by the Station Owner in respect of the different categories of electrical equipment. In addition to the specification, a schedule of plant will be made available for each Station giving details of the electrical equipment to be covered by the maintenance procedure comprised in Part 4 Appendix B. The Station Owner's SLM will arrange in conjunction with the Sharer's SLM dates for the approved contractor to carry out maintenance. These arrangements

must be confirmed in writing by the Station Owner's SLM, with a copy to the Sharer's SLM.

2.4 A Permission-to-Proceed Certificate (Part 4 Appendix C) will be issued to the approved contractor by the Station Owner's Representative. The purpose of the certificate is to ensure that maintenance is only carried out at times suitable to the operational requirements of each Organisation (see also Part 5 - 7 of this Manual).

2.5 A reporting form (Part 4 Appendix D) will be completed by the approved contractor on completion of work and sent to the Station Owner's MIC/ROC via the SLM, who will arrange for copies to be sent to the Sharer's MIC/ROC (as appropriate).

2.6 The Station Owner is responsible for displaying in the HV switchroom a schematic diagram of the power distribution and also a completed relay setting chart, (see Part 4 Appendix E).

2.7 Access to the HV switchroom will be subject to an agreement. The authorisation required under Part I paragraph 3.4 shall normally be determined by the Station Owner's SLM as the room is kept locked with a non-standard lock.

PART 4

APPENDIX A

OWNERSHIP OF HIGH VOLTAGE EQUIPMENT

NTL STATIONS	ICB 1	ICB 2	BUS	BBC TXCB	BBC TXF	NTL TXCB	NTL TXF	VHF CB'S
BELMONT	Yorks	Yorks	BBC/NTL	BBC	BBC	NTL	NTL	N/A
BLACK HILL	Scot Pwr	Scot Pwr	Scot Pwr	BBC	BBC	NTL	NTL	N/A
CALDBECK	Norweb	Norweb	NTL	BBC	BBC	NTL	NTL	N/A
CARADON HILL	SWEB	SWEB	SWEB	BBC	BBC	NTL	NTL	N/A
DURRIS	Scot Hyd	Scot Hyd	Scot Hyd	BBC	BBC	NTL	NTL	N/A
EMLEY MOOR	Yorks	Yorks	N/A	N/A	BBC	N/A	NTL	N/A
MOEL-Y-PARC	Manweb	Manweb	N/A	N/A	BBC	N/A	NTL	N/A
RIDGE HILL	Midlands	Midlands	Midlands	BBC	BBC	NTL	NTL	N/A
SANDY HEATH	Eastern	Eastern	Eastern	BBC	BBC	NTL	NTL	N/A
STOCKLAND HILL	SWEB	SWEB	SWEB	BBC	BBC	NTL	NTL	N/A
WINTER HILL	Northern	Northern	Northern	BBC	BBC	NTL	NTL	NTL

BBC STATIONS	ICB 1	ICB 2	BUS	BBC TXCB	BBC TXF	NTL TXCB	NTL TXF	VHF CB'S
BILSDALE	Northern	BBC Gen	BBC	BBC	BBC	NTL	NTL	N/A
BLAENPLWYF	Manweb	Manweb	Manweb	BBC	BBC	NTL	NTL	N/A
CRYSTAL PALACE	London	London	BBC/NTL	BBC	BBC	NTL	NTL	N/A
DIVIS	NIE	NIE	NIE	BBC	BBC	NTL	NTL	N/A
HANNINGTON	Southern	Southern	Southern	BBC	BBC	NTL	NTL	N/A
MENDIP	SWEB	SWEB	SWEB	BBC	BBC	NTL	NTL	N/A
OXFORD	Southern	Southern	Southern	BBC	BBC	NTL	NTL	N/A
PONTOP PIKE	Northern	Northern	Northern	Northern	BBC	Northern	NTL	N/A
REDRUTH	SWEB	SWEB	SWEB	SWEB	BBC	SWEB	NTL	N/A
ROSEMARKIE	Scot Hyd	Scot Hyd	BBC/NTL	BBC	BBC	NTL	NTL	N/A
ROWRIDGE	Southern	Southern	BBC/NTL	BBC	BBC	NTL	NTL	N/A
SUTTON COLDFIELD	Midlands	Midlands	N/A	N/A	BBC	N/A	NTL	N/A
TACOLNESTON	Eastern	Eastern	Eastern	Eastern	BBC	Eastern	NTL	N/A
WALTHAM	East Mid	East Mid	East Mid	BBC	BBC	NTL	NTL	N/A
WENVOE	SWE	SWE	N/A	N/A	BBC	N/A	NTL	N/A

Key :ICBIncoming HV Supply BreakersTXFHV to LV Transformers
 BUSHV Bus Section(s) and Breaker(s)VHF CBVHF Radio Circuit Breakers
 TXCBHV Transformer Circuit BreakersN/ANot applicable

PART 4

APPENDIX B

MAINTENANCE PROCEDURE

This procedure covers the general requirements for the maintenance of high voltage power equipment at UHF main transmitting Stations, which it is agreed between the BBC and NTL should be the responsibility of the Station Owner of the particular Station (see also Parts 5 - 7 of this Manual). This excludes the high voltage switchgear and transformers owned by the relevant Local Distribution Company.

1: GENERAL

The instructions to a Local Distribution Company and/or any other approved contractor will be given in writing by the Station Owner. The specific equipment to be maintained and any agreed variation from this procedure will be given in a separate document.

Once the Station is operational, the arrangements to carry out any work must be agreed with the Station Owner's SLM. He will issue a Permission-to-Proceed Certificate in respect of all equipment being taken out of service for maintenance, testing, or repair. This certificate will be counter-signed by a Representative nominated by the other Organisation.

2: PERIOD OF MAINTENANCE

Unless specified to the contrary, the maintenance work included in this procedure should be carried out at four yearly intervals.

Contents:

Section 1: HV switchgear

Section 2: Protection and trip testing

Section 3: Reporting procedures

PART 4
APPENDIX B
SECTION 1
HV SWITCHGEAR

1.1 OCB TANK

Tank to be lowered. The oil is to be removed and the tank cleaned out using a chamois leather or a synthetic sponge. Tank to be refilled up to the correct level with new electrical insulating oil, to B.S.148. If new oil is not available then oil reconditioned by one of the major oil companies, and conforming to B.S.148 can be used.

1.2 OCB MAIN AND ARC SWITCH CONTACTS

The fixed and moving contacts are to be examined for signs of pitting, burning or mechanical wear and to be dressed or replaced as necessary. Note that silver contacts must not be cleaned-up, even if they have tarnished to a black colour, and must only be replaced if they are burnt. The mechanical conditions of the explosion pots should be checked and inspected for any signs of burning. The operating arm is to be inspected and all bolts checked for signs of working loose.

1.3 OCB MECHANISM

The closing mechanism (hand or motor wound springs or solenoid closing) is to be checked in accordance with the manufacturer's maintenance recommendations. The mechanical linkage should be adjusted if it is out of tolerance. A thorough check of the mechanical condition of such items as locknuts, circlips, rivets, bearings, rollers, etc., in the linkage should be made.

The tripping mechanism should be checked, again with reference to the manufacturer's handbook for correct operation. The trip bar must operate freely. All linkage knuckles, rollers, bearings, pivots, are to be lubricated as specified by the manufacturer.

1.4 OCB MAIN ISOLATING CONTACTS

The condition of the contacts (candles, roses, etc) on the OCB truck should be checked to see if any evidence of poor contact exists. If so, further investigation and remedial action should be carried out. A trace of Elvolube or equivalent contact lubricant should be deposited upon the O.C.B. truck contacts.

1.5 SPOUT CLEANING

The bus-bar and feeder spouts should be cleaned out using a chamois leather or synthetic sponge. The external bushings should be cleaned using a suitable paper wipe.

1.6 OCB SECONDARY ISOLATING CONTACTS

Secondary isolating contacts should be examined for signs of poor contacts or burning.

1.7 OCB AUXILIARY SWITCHES

Switches, especially the electrical contacts should be examined for signs of burning and any moulded insulating components should be examined for cracks.

1.8 HV CABLE BOXES

The HV cable boxes on the switchboard should be examined for compound leaks and corrected or

reported as necessary.

PART 4

APPENDIX B

SECTION 2

PROTECTION AND TRIP TESTING

2.1 INSULATION TEST OF PROTECTION CURRENT TRANSFORMERS

The secondary earth link should be disconnected and the windings meggered to earth, using a 1kV Megger. The group of current-transformers can be checked together by applying the Megger across the open earth link.

2.2 PROTECTION RELAY SECONDARY INJECTION TESTS

Current-transformer test windings should be used where provided; otherwise a relay split-plug or test block should be used to inject a test current into the relay operating coil. A test to determine the operating time of each relay element should be carried out with a plug setting of 100% (for Overcurrent) or 20% (for Earth Fault) and a Time Multiplier of 1.0 at:

- a) A current equivalent to a Plug Setting Multiplier of 2.
- b) A current equivalent to a Plug Setting Multiplier of 10.

Note:

If the injection test set cannot deliver the current required for test (b) a reduced test within the capability of the test set should be adopted. It cannot be over-stressed that when carrying out tests involving current of 10 times the plug setting the test current should be applied only for the very minimum of time necessary to make the tests to avoid damage to the relay operating coil.

Results should show the actual and design operating times taken from the relay characteristic curve or table.

The relay reset time should be checked with the Time Multiplier set to 1.0.

2.3 TIME LIMIT FUSES

Where such protection exists the fuses are to be removed and tested for continuity by means of a Megger, AVO, etc. Glass bodied fuses are to be replaced. A secondary injection test set should be used to determine the operating point of the trip coil by applying a "step" current of increasing value until the trip bar is raised.

2.4 SWITCHGEAR TRIP TESTING (AT TWELVE MONTHLY INTERVALS)

All OCBs must be tripped and reclosed both mechanically and electrically. This can be combined with the following tests:-

- a) Auto change-over systems to be tested by mains failure simulation either by or with the permission of the Local Distribution Company.
- b) Intertripping between transformer HV and MV circuit breakers should be tested.

Note:

The results of the twelve-monthly trip test should be recorded in the substation log book.

PART 4
APPENDIX B
SECTION 3
REPORTING PROCEDURES

A report form which will be supplied with the official order and should be completed and returned to the Station Owner's SLM following the maintenance of the power equipment providing the information requested in this Part 4 of the Manual and in accordance with forms which appear as sections 1 - 3 in Appendix D ("The Report"). It must indicate clearly which equipment any comments apply to and the following details must be included in the report.

3.1 For equipment being maintained in accordance with the specification and instructions in Part 4 of this Manual the report form should indicate if any items of maintenance could either not be carried out or not carried out in accordance with the specification. Details should be given of any tests or maintenance checks which show equipment to be below standard.

3.2 A comment on the general condition of all equipment being maintained in accordance with Part 4 of this Manual should be given with details of any work required outside the scope of routine maintenance.

3.3 A list of materials used should be included in the report.

Note:

If there is insufficient space in sections 3.1, 3.2 or 3.3 of the Report summary The Report should be continued on the reverse of the Report summary.

PART 4

APPENDIX C

PERMISSION-TO-PROCEED CERTIFICATE

MAINTENANCE OF POWER EQUIPMENT AT THE STATIONS

PERMISSION-TO-PROCEED CERTIFICATE

(A) DECLARATION

TO:.....LOCAL DISTRIBUTION COMPANY (OR APPROVED CONTRACTOR)

PERMISSION IS HEREBY GIVEN FOR YOU TO PROCEED WITH MAINTENANCE/TESTING OF THE FOLLOWING EQUIPMENT, IN ACCORDANCE WITH THE "MAINTENANCE SPECIFICATION". THIS CERTIFICATE DOES NOT IMPLY THAT ANY SAFETY PRECAUTIONS OR SWITCHING OPERATIONS HAVE BEEN CARRIED OUT FOR THIS PURPOSE - ONLY THAT PERMISSION IS FORMALLY GIVEN FOR YOU TO PROCEED WITH THE WORK, TAKING ALL NECESSARY PRECAUTIONS.

Equipment released from service for the purpose of maintenance/testing:

.....
.....
.....

.....UntilHoursDate

TimeDate

Signed by:.....BBC Representative.....

And:.....NTL Representative.....

Of:.....Transmitting Station

(B) RECEIPT

I acknowledge receipt of this Permission-to-Proceed Certificate, having read the declaration above in section A, which must be signed by BOTH Station SLM's.

Signed by:..... Of..... Local Distribution Company (or approved contractor)

Time:..... Date:.....



(C) COMPLETION

I confirm that the maintenance/testing of the above-mentioned equipment is complete and all necessary switching has been carried out.

Signed by:..... Of.....Local Distribution Company (or approved contractor)

Time:..... Date:.....

TimeDate

Accepted by:.....BBC Representative

And:.....NTL Representative

Of:.....Transmitting Station

PART 4
APPENDIX D
REPORT ON FOUR-YEARLY MAINTENANCE
MAINTENANCE OF POWER EQUIPMENT AT
THE STATIONS

REPORT ON FOUR-YEARLY MAINTENANCE

..... Transmitting Station

Maintenance commenced.....completed.....

Signed..... of.....Local Distribution
Company (or approved contractor)



The Report, when completed, should be returned to the Station Owner's SLM.

Indicate clearly which equipment any comment applies to.

This Report is made up into sections, as listed below, and a separate sheet is completed for each unit of equipment being maintained in that section.

The section numbers used correspond with those used in the "Maintenance Procedure" section.

Complete all parts of the various sections of the Report, using the 'boxes' denoting

[X] (as appropriate)

[N/A] (if not applicable)

a 'NO' or 'POOR' answer must be detailed in Section 3.

Number of Sheets

Section 1.HV Switchgear.....

Section 2.Protection and Trip Testing.....

Section 3.Report Summary.....

SECTION 1 HV SWITCHGEAR

CIRCUIT LABEL INSCRIPTION:.....

1.1 OCB Tank. Tank emptied, cleaned out and refilled with new oil (or refinery re-conditioned oil).

 YES NO

1.2 OCB Switch Contacts. Fixed and moving contacts examined and dressed or replaced as necessary. Explosion pots and operating arm inspected and adjusted or repaired as necessary.

 YES NO

1.3 OCB Mechanism. Closing and tripping mechanism checked to manufacturer's handbook. Adjusted and lubricated as necessary. Check that the trip bar operates freely.

 YES NO

1.4 OCB Main Isolating Contacts. Examine contacts for evidence of poor contact. Corrective action taken as required. Trace of ELVOLUBE or equivalent contact lubricant put on OCB truck contacts.

 YES NO

1.5 Spout Cleaning. Bus-bar and feeder spouts cleaned with chamois leather or synthetic sponge. The external bushings should be cleaned using a suitable paper wipe.

 YES NO

1.6 OCB Secondary Isolating Contacts. Contacts examined and any necessary corrective action taken.

 YES NO

1.7 OCB Auxiliary Switches. Switches examined and any necessary corrective action taken

 YES NO

1.8 HV Cable Box. Cable box examined for compound leaks and is satisfactory.

 YES NO

SECTION 2 PROTECTION AND TRIP TESTING

CIRCUIT LABEL INSCRIPTION:

2.1 C.T. Insulation Test. Insulation value of grouped C.T.'s, secondary to earth, using 1kV meggerMeg Ohm

2.2 Protective Relay Secondary Injection Tests

Relay Element	Plug Setting	Time Multiplier	OPERATING TIME		Resetting Time
			2 x PSM	10 x PSM	
Red o/c	100%	1.0	(10.0)	(3.0)	(9.0)
Yellow o/c	100%	1.0	(10.0)	(3.0)	(9.0)
Blue o/c	100%	1.0	(10.0)	(3.0)	(9.0)
E/F	20%	1.0	(10.0)	(3.0)	(9.0)

* See Part 4 Appendix B Section 2 para 2.2.

NOTE: Operating time, in brackets, given for a 3 sec. relay to BS 142. Resetting time, in brackets, given for an E.E. Co. 3 sec. C.D.G. 11,31 relay.

2.3 Time Limit Fuses

(a) Continuity check - number of fuses changedrated at.....Amp.

(b) Injection test - "Step" current required to just operate trip bar (no fuse fitted)

R o/c.....Amp; Y o/c.....Amp; B o/c.....Amp; E/F.....Amp.

2.4 and 2.5 Trip Testing

Tick as necessary

	Operated correctly on first attempt	Operated correctly after attention	Does not operate correctly
All protective relays with trip functions			
HV/MV Transformer Inter-tripping			
Buchholz Device Gas (alarm)			
Buchholz Device Surge (trip)			

Report detail in section 3 if any of the boxes in the centre or right-hand columns have been ticked.

PART 4

APPENDIX E

PROTECTIVE RELAY SETTING CHART

MAINTENANCE OF POWER EQUIPMENT AT THE STATIONS

PROTECTIVE RELAY SETTING CHART

Transmitting Station: Prepared by: Date:

Sub/Station/Switch Room Operating Voltage:

CIRCUIT DESCRIPTION	OVERCURRENT		EARTH FAULT		OTHER PROTECTIVE RELAY SETTINGS OR COMMENTS
	Plug Setting % or Amps	Time Mult.	Plug Setting % or Amps	Time Mult.	
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					

PART 5

MASTS, ANTENNAS, COMBINERS, SPLITTERS AND FEEDERS

1: General

1.1 Station Owner Responsibility

Notwithstanding that the Station Owner's decision is final in considering whether or when common equipment is to be permanently withdrawn from use and replaced the Station Owner shall use its reasonable endeavours to provide any necessary replacement common equipment (including temporary common equipment as necessary) in order to meet its obligations under Part 9 of this Manual.

1.2 Programme of Maintenance

By the 1st January each year, or earlier if agreed, the Station Owner will provide the Sharer with draft details of its programme of maintenance work. This will be confirmed by the Station Owner by 1st April (see also Part 6 for Planned Works).

1.3 Clearance to Isolate

For planned work by the Station Owner that requires the isolation of common antenna systems the Sharer should be informed seven to fourteen days before the scheduled start date. This notice is also required where there are separate exclusive antenna systems and where one Organisation requires the other to operate at reduced power or shut down completely for the purpose of access. Information exchanged will detail work to be done, the number of isolations required, the period involved, the number of Programme interruptions and services affected (see also Part I para 5 and Parts 4-7 of this Manual).

Where by the nature of the work, the specific dates and times for the shut downs are not known within an agreed work period, the Sharer's MIC/ROC must be informed by 14.00 hours on the day prior to any shut down.

Requests to isolate and the initial confirmation between the Station Owner's SLM and the Sharer's MIC/ROC will be by telephone. Additionally, confirmation will be exchanged by telex or facsimile.

1.4 On Station Record Keeping

The Station Owner will keep a log at each Station, in which either Organisation's senior Representative on the Station will enter the details of any clearance to isolate the antennas. Additionally, the Station Owner's senior Representative will note the actual isolation procedure for the equipment on the Station. For details of the log see Part 5 Appendix A for NTL, and Part 5 Appendix B for BBC.

When the Sharer isolates its exclusive equipment, the Sharer's senior Representative on Station must sign the Station Owner's log alongside the entry covering the isolation of the Sharer's equipment. A signature will also be required when the equipment is de-isolated.

THE LOG IS TO BE CONSIDERED AS A PERMIT TO WORK AND ITS COMPLETION IS MANDATORY, AND ONLY WHEN THE APPROPRIATE SECTIONS ARE COMPLETED IS IT PERMISSIBLE TO PROCEED WITH THE WORK.

1.5 Powering Antennas/Feeders/Combiners

The final responsibility for applying power to common antennas, feeders and/or channel combining equipment rests with the Station Owner's SLM or approved Representative.

1.6 Equipment Withdrawal

Except in an emergency, no common equipment will be withdrawn until the facts have been discussed with the Sharer, whose Services requirements will be met where possible. (See Part 1 para.5 and Part 9 of Manual (see also clause 10 of the BBC/NTL Agreement)).

1.7 Electromagnetic Radiation Levels

Where the Sharer is permitted to have mast access by the Station Owner for the maintenance of its exclusive equipment, the Station Owner must make known to the Sharer, the maximum value of the electromagnetic field which exists within the mast climbing area.

2: ANTENNA MAINTENANCE

2.1 Station Owner Responsibility

The Station Owner is responsible for the maintenance, repair and protection of common antenna systems including feeders and all associated channel combining and protection equipment.

Such maintenance will be subject to performance limits to be mutually agreed at the time of commissioning. Electrical tests and measurements on common antenna, feeder and channel combining equipment will be carried out by, and at the discretion of the Station Owner. This will take place after any major maintenance works, or at a mutually agreed time, when the antenna, feeder or channel combining equipment performance is in doubt. This should be done with the assistance of the Sharer when required.

2.2 Sharer Responsibility

Antennas and feeders requested by the Sharer to be provided by the Station Owner, for the Sharer's exclusive use will normally be provided at the sole cost of and maintained by the Sharer, (or will be maintained by the Station Owner at the request and cost of the Sharer). Only approved contractors skilled in mast and antenna work will be used by the Sharer for repair work on antennas for the Sharer's exclusive use.

The Sharer is responsible for standards, safe working practices and safeguarding the Station Owner's facilities and the Station affected by and during its exclusive antenna and feeder maintenance.

2.3 Equipment Isolation

Prior to carrying out antenna maintenance the Station Owner will ensure that all appropriate equipment is isolated as necessary in order that it cannot be powered inadvertently. The Station Owner will require the Sharer to provide keys/tallies (if they exist) before maintenance is commenced.

The Station Owner must secure these keys/tallies in a lockable glass fronted box, preferably in a common area.

Exclusive and common areas will be provided with clear instructions and permanent labelling for the switching off and isolation of equipment. See also Part 7 - Station Owner Isolation for Mast Access.

The Sharer is required to carry out the Station Owner functions detailed in this paragraph 2 where the Sharer has its own exclusive antenna systems.

2.4 Feeder Protection Equipment

The Sharer is not permitted to carry out a reset following a common feeder protection equipment

trip without specific instructions from the Station Owner. Only one reset would be authorised.

In the event of failure of one half of a common antenna system, it is permissible for either Organisation's authorised staff to operate its transmitter into the serviceable half- antenna without awaiting the arrival of the other Organisation's authorised staff.

2.5 Planned Maintenance by Station Owner

2.5.1. Television

The following applies to all Television Stations over 2w power

(i) Common antennas and feeders:

(a) Antenna, and feeder systems shall be overhauled at least every ten years. On re-assembly, the performance of the whole antenna system will be measured in terms of the basic reference data. (See Part 5 para 2.6).

(b) Swept antenna return loss measurements shall be carried out every two years at main Stations and five years at relay Stations. Results will be made available to the Sharer on request.

(ii) Common channel combining and splitting equipment:

(a) Direct cross, insertion and return loss tests into a precision load shall be measured at periods not exceeding ten years.

(iii) Antenna monitoring and protection equipment:

(a) The Station Owner shall carry out function trips annually.

(b) The Station Owner shall calibrate the monitoring equipment every two years.

2.5.2 Radio

Common antennas shall be overhauled at periods not greater than ten years and the listed measurements shall be made at the periods shown below, in terms of the basic reference data.

(i) MF stations:

(a) Antenna driving point impedance - every 5 years.

(b) Input impedance of combining system - every 5 years.

(c) Crosstalk between transmitters - annually.

(d) Field strength measurements of directional arrays - annually.

(e) The amplitude and phase of the mast currents annually, where this is readily practical to do so.

(ii) VHF stations:

(a) Swept antenna return loss - every 5 years.

(b) Cross, insertion and return loss tests of the combining system - every 5 years.

2.6 Basic Reference Data

2.6.1 Television

The Station Owner will provide the Sharer initially with the following basic reference data relating to common antennas and combining equipments.

(i) Common antennas and feeder systems:

(a) Swept return loss of transmitting antenna and feeder system measured at the feeder input.

(b) Measurement of peak vision, colour and sound carrier levels at the output of receiving antenna system.

(c) Horizontal and vertical radiation pattern for Stations, having an ERP of 20kW or more.

(ii) Common channel combining and splitting equipment:

(a) Precision measurements of input impedance.

(b) Cross-loss measurements to all ports.

(c) Insertion loss to output port.

(iii) Antenna monitoring and protection equipment.

(a) The design transmitter power levels at the input ports of the combining equipment.

(b) The trip levels of the monitoring and protection equipment.

2.6.2 Radio

The Station Owner will provide the Sharer initially with the following basic reference data for all common equipment.

(i) MF stations:

(a) Antenna driving point impedance for each of the transmitted frequencies in the band.

(b) Impedance of combining system input for each of the transmitted frequencies in the band.

(c) Crosstalk of any service to any other combined transmitter output, with all transmitters operating at their standard level.

(d) Reference field strength measurements of directional antennas at all transmitted frequencies in the band, at Stations where the Station Owner has accepted responsibility for the Sharer's pattern.

(ii) VHF stations:

(a) Performance of the antenna and feeder system to be provided in terms of the measurement of swept frequency return loss.

(b) Performance of the combining unit system to be provided in terms of measurement of cross, insertion and return loss.

(c) Levels of intermodulation products radiated within the broadcast band.

3: MAST MAINTENANCE - TELEVISION AND RADIO

3.1 Maintenance

Mast maintenance is the responsibility of the Station Owner.

3.2 Inspections

The Station Owner will arrange for a detailed visual inspection to be carried out of the structure and stays. A copy of the inspection report will only be required by the Sharer if a significant defect is noticed.

4: WORK BY SHARER TO SHARER'S EXCLUSIVE EQUIPMENT ON A STATION OWNER'S up MAST NOT INVOLVING ISOLATION OF STATION OWNER'S EXCLUSIVE EQUIPMENT OR COMMON EQUIPMENT

Whenever Sharer's authorised maintenance team need access to the Station Owner's mast for work to the Sharer's exclusive equipment not requiring isolation of common equipment or Station Owner's equipment then permission should be sought by the Sharer from the Station Owner's SLM in accordance with the "Antenna Feeder Isolation Log Sheet" procedure in either Part 5 Appendix A or B as appropriate (annotating the Log Sheet in the column "Remarks" - with the words "isolation not required").

PART 5
APPENDIX A

ANTENNA/FEEDER ISOLATION LOG SHEET - NTL
(due to be revised during 1991)

STATIONS - ANTENNA FEEDER LOG ISOLATION LOG SHEET - NTL

STATION..... REFERENCE NO.....
 PERMISSION OBTAINED FROM.....(NAME) ROC.....
 TIME..... DATE.....
 STATION OWNER ISOLATION AGREED YES/NO - WITH.....AT BBC MAINTENANCE
 BASE.....
 REPRESENTATIVE ON SITE: NTL.....
 BBC.....

CLEARANCE TO ISOLATE:-

 DETAILS AGREED WITH ROC

DATE	SERVICE	START	RADIATING CONDITION	REASON
------	---------	-------	---------------------	--------

ACTION TAKEN ON SITE TO ISOLATE ANTENNAS/FEEDERS:

 ISOLATION DETAILS DE-ISOLATION DETAILS

SERVICE	ISOLATION DETAILS			DE-ISOLATION DETAILS			REMARKS
	Antennas	Date	Time	Keys Retained	Sig. Date	Time	

PART 6

INCIDENTS, INTERRUPTIONS AND PLANNED WORKS

1: REPORTING OF INCIDENTS

1. An "incident" is any happening which affects the transmission of any Service from a Station. Any of the following incidents must be reported by MIC's/ROC's where their duration exceeds one minute.

(a) All interruptions to transmission

(b) All reduced power transmissions at Priority Stations whether for maintenance or because of fault conditions.

(c) All incidents where mono is radiated in lieu of stereo.

(d) All incidents which significantly degrade transmission.

2. MIC's and ROC's are responsible for reporting incidents at their respective stations within their monitoring area.

3. Incidents at one Organisation's Station should be notified to the other Organisation by telex, facsimile or by telephone as soon as possible at both the beginning and end of the incident where they affect the other Organisation's Service(s) at a Priority Station . (This does not apply to planned work where advance notice has already been given).

2: PLANNED INTERRUPTIONS TO TRANSMISSION (DUE TO EQUIPMENT FAULTS AT RADIO OR TELEVISION STATIONS)

2.1 In order to carry out planned maintenance or repairs to emergency faults, where possible, shutdowns to Services will be planned and performed in accordance with this Manual. The Station Owner shall give due priority to Priority Stations and use all reasonable endeavours to comply with the agreed response times in responding to faults in the Sharer's Services (see Part 9).

2.2 In addition to para 2.1 above, the preferred order for periods of shutdown is as follows;-

Radio Services

(a) Closedown period when radio Services are scheduled to be off the air (if any).

(b) 0005 - 0500 hours

(c) Outside these times.

Television Services

(a) Closedown period when television Services are scheduled to be off the air (if applicable).

(b) Trade period (if applicable).

(c) Weekends 0500 - 0900 hours

(d) Weekdays 0900 - 1200 hours

(e) Weekdays 0900 until on or before 12.30

2.3 Every effort should be made to check each Organisation's programme listings for special listed or extra unlisted programmes, and interruptions during such programmes should be avoided if possible.

2.4 Requests for interruptions should pass by telex or facsimile between the appropriate MIC and ROC, giving at least one week but preferably two weeks notice. Any refusal by either Organisation should be referred to the head offices of both Organisations who shall agree the appropriate time.

2.5 Some requests affecting Services of particular importance may only be agreed between the head offices of each Organisation. Such agreement will be communicated to the relevant MIC and ROC.

2.6 Planned Work Shutdown Confirmation

By 1400 hours the day before a planned Station shutdown, the leader of the Station Owner's maintenance team responsible for the work will confirm the date and time with the ROC/MIC of the Sharer.

2.7 Cancellation of Planned Shutdowns

The Station Owner may cancel a planned Station shutdown at any time. The Sharer may request cancellation and sympathetic consideration will be given to this request, but cancellation will not usually be agreed to if requested less than 12 hours prior to the proposed planned shutdown. Confirmation of cancellation must be passed between the appropriate ROC and MIC as soon as practicable.

3: PLANNED WORKS TO OPERATIONAL COMMON AND/OR EXCLUSIVE EQUIPMENT
(WHETHER OR NOT INVOLVING INTERRUPTIONS TO SERVICES)

3.1 Exclusive Equipment (performed by either the Station Owner or the Sharer)

3.1.1 In all cases no works should be carried out to any exclusive equipment at an operational Station without the prior knowledge and consent of the SLM responsible for that equipment.

3.1.2 The Station Owner's consent is required to permit entry onto a Station to carry out works to any Sharer's exclusive equipment where it is to be performed by anyone other than the Sharer, its authorised Maintenance Team, or, and with the Sharer's consent, any approved contractor or an authorised employee of the Station Owner. (Eg in accordance with the terms of this Manual and/or clause 10.1.3 to 10.1.4 (inclusive) of the Agreement).

3.2 Common Equipment (performed by the Station Owner)

3.2.1 No work shall be carried out at an operational Station to the Station Owner's common equipment without prior notification to the Sharer's SLM unless it is in accordance with a planned works list provided to the Sharer in accordance with paragraphs 3 and 4 of Part 6.

3.2.2 In all cases no works should be carried out to such common equipment under this paragraph 3.2 unless it is by the Station Owner's Maintenance Team or an approved contractor.

3.3 Planned Works Notification

The Planned Work List for Common Equipment (other than masts and antennas)

3.3.1 Each Organisation shall produce a list of Station Owner's planned work to common equipment (other than masts and antennas) at their respective Stations so that negotiations for reduced power and shutdowns affecting the Sharer's Services can be carried out in plenty of time. The provision of this list shall also enable such works to be properly scheduled so that each Organisation's works do not conflict.

3.3.2 It shall be the responsibility of each Organisation to ensure that any conflicts in such works are brought to the attention of those concerned.

3.3.3 The first draft of the planned works list should be produced by 1 January each year.

3.3.4 The following types of works will be put on the planned works list:-

3.3.4.1 Any work which requires shutdowns (or reduced power on Priority Stations) or any works and/or equipment on Stations affected by such shutdowns.

3.3.4.2 Any works which may prevent, or be prevented by, work on the mast and antennas.

3.3.5 The appearance of the works on the planned works list does not preclude the need for each Organisations' SLMs to consult with the other about final dates and times.

3.3.6 The information should be given in the form of 'window dates'. Subsequent amendments of the planned works list will show a narrowing of the target window.

3.4 The Planned Work List for Common Masts and Antennas

Each Organisation must be promptly informed of all planned work as referred to in this para 3 in respect of the Stations.

3.4.1 Mast and Antennas - Maintenance

See Part 5 of this Manual for procedure.

PART 7

STATION OWNER ISOLATION FOR MAST ACCESS

This part of the Manual covers the Mast Access procedure which enables the Station Owner to gain entry into the Sharer's independent technical areas for the purpose of isolating and de-isolating equipment. This is to ensure the safety of personnel requiring access to the mast, antenna and associated equipment.

1: EQUIPMENT ISOLATION

1.1 All Stations operating with equipment delivering a power of greater than 50 Watts must have equipment isolators capable of being locked 'off' and their keys removed for safe keeping by the Station Owner's SLM or his Representative.

Stations with equipment delivering 50 Watts or less may be isolated using switches that have no means of being locked in the 'off' position. On these Stations the isolator(s), must have an appropriately worded warning notice placed on them by the appropriate senior Representative (and/or SLM) and only removed when it is safe to restore supplies.

1.2 On Stations where the Sharer has exclusive feeders and antenna systems (maintained by the Sharer), the Sharer may at the Station Owner's SLM's discretion isolate the Station Owner's equipment. In this case the Station Owner's isolation instructions must be displayed.

1.3 Before any equipment isolation can be agreed at local level (eg by the Station Owner's SLM), the following information must be displayed:-

i) A diagram showing the location of the various isolators displayed by each Organisation in its exclusive areas, on main Stations, near the access door.

ii) Mast Access notices displayed at all necessary locations giving full isolating details.

iii) The identification of all isolators labels placed adjacent to the isolator.

iv) The identification of all isolator keys by a Mast Access point reference number or letter.

v) Each Organisation's telephone numbers displayed as follows:

SLM's	- Base
	- Home
ROCs or MICs	- Local
24 hour staffed MICs or ROCs	- London

2: AUTHORISED STAFF

Both Organisation's SLM must be satisfied that the authorised persons carrying out the operations of isolating and de-isolating are fully competent. They must be aware of the necessary security and switching procedures.

3: REQUEST FOR ACCESS

3.1 The initial request will be made by the Station Owner's SLM to the Sharer's ROC/MIC normally giving at least 7 days notice -(see Part 5, Section 1.3.)

3.2 The Sharer's and Station Owner's SLM will liaise on each occasion to make arrangements for the necessary instruction to be given to the persons actually carrying out the operation of isolation.

3.3 The Sharer's SLM will agree to Station Owner isolation if he considers it more effective or convenient to do so. Otherwise the Sharer's SLM will make necessary arrangements for the isolation to be carried out.

3.4 Before isolation and prior to actual access to the Sharer's exclusive area, a check is to be made with both Organisation's MIC/ROC to ensure that there are no overruns or last minute changes to the times agreed for isolation. For access during the night hours the check should be made prior to midnight.

4: ACCESS

4.1 Where applicable the entrance key to the Sharer's exclusive area is to be supplied by the Sharer's SLM and passed to the Station Owner's SLM at some agreed time prior to the work being carried out. This key is in addition to any emergency keys which are normally kept in the glass key box.

4.2 Security alarm procedures if applicable, are to be passed to the Station Owner's SLM by the Sharer's SLM to ensure that alarms are cancelled or the MIC/ROC is made aware of an entry.

5: ISOLATION AND DE-ISOLATION

5.1 The Station Owner's SLM or Representative will keep a log (see Part 5. Appendices A & B) detailing dates, times of agreed isolation together with the initials of authorising engineer at ROC/MIC. The actual isolation times will also be recorded together with details of the work carried out.

5.2 When communication is possible the actual isolating and de-isolation times are to be passed to both Organisation's MIC/ROC immediately, but otherwise as soon as possible.

For such contact the Control Centres are manned as follows:

LocalROC 0800-0015 daily

London (Croydon)ROC 24 hour, seven days

Emley MoorROC 24 hour, seven days

LocalMIC 0800-2000 daily

London (Crystal Palace) MIC 24 hour, seven days

PART 8

COINCIDENT OPENING OF UHF RELAY STATION

INTRODUCTION

When a new UHF relay Station is brought into service, television dealers and the general public expect all four television channels, BBC-1, BBC-2, ITV (or Channel 3) and the Fourth Channel (or Channel 4) or the equivalent Welsh Channels to be available simultaneously. In some cases existing viewers may be deprived of a Service if this is not done. Although this appears to be a straightforward and logical arrangement, there may be complications from the Organisations point of view. For instance, acquisition by the Station Owner where the other party is a Sharer subject to commercial terms, or where delays occur at the last minute because of late delivery of equipment or commissioning problems and often only one Organisation is affected.

The purpose of this part of the Manual is to set down procedures which will ensure that Stations are brought into service in the spirit of the general provisions of the Agreement of which this Manual forms part.

1: CONSTRUCTION PROGRAMME

New Stations may be selected by either party to this Agreement but they agree to inform each other of their proposed construction programmes approximately 12 months ahead (or otherwise as soon as reasonably practicable).

2: EXCHANGE OF INFORMATION

Where the Sharer wishes to enter into a site licence with the Station Owner to share use of a new Station under construction the Station Owner agrees (subject to such a site licence being completed) to make provision for planned access and completion dates to be exchanged at agreed intervals by telex or facsimile and otherwise to proceed in accordance with detailed and regular exchanges of information as necessary. Information to be sent by:-

a) BBC: Head of Transmitter Project Group TED, Warwick to

NTL: Planning and Commercial Services Group (PCSG)

b) NTL: Planning and Commercial Services Group (PCSG) to

BBC: Head of Transmitter Project Group TED, Warwick,

3: ACCESS AND SERVICE DATES

Access dates will normally be Mondays. The site licence will set out the date access is first given. Subject to para 2 above, transmission commencement will normally start on completion of the installation of the equipment enabling all the Station's Services to be transmitted.

4: CHANGES TO ACCESS DATES

4.1 Planned access dates will only be changed by agreement. Each change of access date exceeding eight weeks will be specifically confirmed in writing, normally by means of a separate letter for each Station affected. Other significant changes will be confirmed in writing between the engineers concerned (see also para 2 of Part 8).

5: INSTALLATION SEQUENCE

5.1 In the case of Stations with a common equipment area, the Station Owner will complete its equipment and accommodation installation first, subject to para 2 above and 6 below. The access

date given to the Sharer will be based on the completion date of the Station Owner's installation.

6: DELAYS

6.1 If the Station Owner is unable to offer the Sharer access on the agreed access date, it shall ascertain if the Sharer wishes to commence its installation as soon as all the common equipment and its common accommodation facilities are available. If advice of the delay is given eight weeks or more before the revised access date, the Sharer will be expected to complete the normal sequence of installations. If advice of the delay is given less than eight weeks and more than two weeks before the revised access dates, the Sharer will be allowed two additional weeks for completion.

6.2 If the Sharer is installing in advance of the Station Owner and is unable to complete its installation within the times given above, revised arrangements for that Station will be agreed between TED and NTL Transmitter Systems Group at Crawley Court (TS Group).

6.3 If either Organisation is unable to complete their installation in the agreed time, it should advise the other as soon as this is apparent. The latter can then, at its discretion, commence transmission, unless there is a requirement for coincident opening, (see paragraph 8.2 below).

7: STATION COMMISSIONING

7.1 On completion of the first installation of equipment for each Service by either Organisation the Station Owner or Sharer will normally disconnect the input to its transposer. It will be left switched on with its output connected into the combiner. Periods of radiation prior to the agreed service date must be kept to a minimum.

7.2 The last Organisation to complete its installation will check for mutual interference problems, and if all outputs are clear, leave all equipment switched on and the combiner connected into antenna. The other Organisation will be advised, without delay, that transmission has started or that there is a problem. In the event of any delay beyond the planned transmission date, the last Organisation to complete the installation will advise the other of the delay to the planned transmission date and when it has completed its installation, and in each case as soon as possible. The information must be communicated to:

- a) NTL - The Regional Services Group Leader (RSGL) at its Regional Engineering Management Centre (REMC): who will inform the ROC and Progress Unit in TS Group.
- b) BBC - The SLM : who will inform the MIC.

A telephone number should be left on the Station by both Organisation, for a representative of the last Organisation to complete its installation to telephone the other Organisation with this information.

8: SPECIAL CASES

In certain cases, it may be necessary or expedient for Stations to open on the earliest possible date. The requirement for coincident opening of such Stations may be waived by agreement subject to compliance with para 7.2 hereof.

PART 9

PRIORITY STATIONS AND RESPONSE TIMES

This part of the Manual covers the agreed procedure for a Station Owner to deal with any faults or failure of common equipment including damage or failure of a mast which is causing significant degradation to the Sharer's Service at a Station Owner's Station.

The Station Owner agrees to use all reasonable endeavours to respond to any such fault call outs in accordance with the response times indicated below unless it is prevented from so doing by any event or occurrence beyond its reasonable control.

(This part of the Manual should be read in conjunction with Part I para 5 and Parts 5 - 7 generally).

PRIORITY ATTENDANCE BY STATION OWNER TO DEAL WITH FAULTS IN
COMMON EQUIPMENT FOR THE BENEFIT OF THE SHARER

INTRODUCTION

Certain Services of the Organisations at particular Stations ("Priority Services") have been designated as requiring priority maintenance by the respective Organisations where they are Station Owner. The particular Stations in question are listed in Part 9 Appendix A of this Manual.

These provisions are in addition to and not in substitution for the other maintenance practices of the Organisations in respect of the Stations detailed elsewhere in this Manual.

1:RESPONSE OF THE MIC/ROC

1.1 The Station Owner's MIC/ROC must be informed, in the shortest practicable time, of any fault at a Station Owner's Station which causes a shut down on the Sharer's Priority Services. The time at which information about the fault was received, and the time at which the MIC/ROC was informed must be logged by the Station Owner.

1.2 The MIC/ROC should also inform the ROC/MIC (as applicable) when the Station Owner's maintenance team arrive on a Station and conduct any liaison, that may be required, for attendance by the Sharer's maintenance team.

2:TEAM RESPONSE

2.1 The Station Owner's maintenance team must respond in the shortest practical time, to a report that failure of the Station Owner's common equipment has caused a shutdown of the Sharer's Priority Services. The anticipated response times are listed in Part 9 Appendix A. Attendance by the Station Owner's maintenance team at the Station should be achieved within the times stipulated. It should be noted that the Station Owner covenants and is obliged to use all reasonable endeavours to achieve these response times.

2.2 The time of receiving the message from the Sharer's MIC/ROC and the time of arrival at a Station should be logged by the Station Owner's maintenance team on the Station visit sheet.

3:CONTINUOUS AVAILABILITY OF STATION OWNER'S COMMON EQUIPMENT

3.1 The Organisations hereby covenant and agree that the availability of common equipment at Priority Stations in every year that the agreement between the Organisations subsists shall, at each Priority Station, be better than 99.9%, measured as a six monthly moving average for each Priority Station. For the purposes of calculating the availability, shutdowns for planned mast and antenna maintenance shall not be taken into account. All reasonable endeavours will be made to minimise the duration of shutdowns for such work.

PART 9
APPENDIX A

STATION	STATION OWNER	SHARER'S PRIORITY SERVICES	ANTICIPATED RESPONSE TIME TO ATTEND STATION			
			less than 1hr	less than 2hr	less than 3hr	greater than 3hr
Alderney	NTL	SHF				x #
Alexandra Palace	BBC	ILR		x		
Allerton Park, Merseyside	BBC	ILR		x		
Alsagers Bank	BBC	ILR		x		
Angus	NTL	TV			x	
Anstey Lane, Leicester	BBC	ILR		x		
Bath	BBC	ILR			x	
Beacon Hill	NTL	TV		x		
Belmont	NTL	TV, NR			x	
Bilsdale	BBC	TV, ILR		x		
Black Hill	NTL	TV, NR	x			
Blaenplwyf	BBC	TV	x			
Bluebell Hill	BBC	TV, ILR		x		
Bow Brickhill	BBC	ILR			x	
Brighton, (Southwick)	BBC	ILR			x	
Brougher Mountain	BBC	ILR			x 0	
Caldbeck	NTL	TV	x			
Caradon Hill	NTL	TV, LR	x			
Carmel	BBC	TV		x		
Chatton	NTL	TV		x		
Churchdown Hill	BBC	ILR			x	
Craigkelly	NTL	TV		x		
Crystal Palace	BBC	TV	x			
Darvel	NTL	TV, NR		x		
Divis	BBC	TV	x 0			
Douglas	BBC	TV				x #
Dover	NTL	TV	x			
Durris	NTL	TV, NR	x			
Emley Moor	NTL	TV	x			
Exeter (Pearce's Hill)	BBC	ILR			x	
Fair Isle	NTL	SHF				x #
Falls of Conon	BBC	SHF	x			
Fenham	BBC	ILR		x		
Fern Barrow	BBC	ILR			x	

Freemans Common	BBC	ILR		x			
Fremont Point	NTL	TV	x				
Girvan	BBC	ILR					x
Glen Docherty	BBC	SHF		x			
Greenside Scalp	BBC	ILR		x			
Guildford	BBC	ILR		x			
Hannington	BBC	TV, ILR		x			
Haslemere	BBC	ILR					x
Hastings	BBC	ILR					x
Heathfield	BBC	TV, ILR		x			
Hemel Hempstead	BBC	TV	x				
High Hunsley	BBC	ILR					x
Huntshaw Cross	NTL	TV, LR					x
Keighley	NTL	TV, NR					x
Kilvey Hill	BBC	TV, ILR		x			
Knockmore	NTL	TV					x
Lancaster	NTL	TV, LR					x
Langley Mill	\$NTL	LR		x			
Limavady	BBC	TV, ILR					x 0
Llandonna	BBC	TV					x
Llangollen (Cym-y-Brain)	BBC	SHF					x
Llangurig	BBC	SHF		x			
Londonderry	BBC	ILR	x 0				
Long Mountain	BBC	SHF					x
Lots Road	BBC	ILR					x
Madingley	BBC	ILR		x			
Malvern	BBC	ILR		x			
Mangotsfield	BBC	ILR					x
Mansfield	BBC	ILR		x			
Mapperley Ridge	BBC	ILR		x			

STATION	STATION OWNER	SHARER'S PRIORITY SERVICES	ANTICIPATED RESPONSE TIME TO ATTEND STATION			
			less than 1hr	less than 2hr	less than 3hr	greater than 3hr
Marlborough	BBC	ILR				x
Melvaig	BBC	SHF	x			
Mendip	BBC	TV, ILR		x		
Midhurst	BBC	TV		x		
Moel-y-Parc	NTL	TV	x			
Newhaven	BBC	ILR				x

STATION	STATION OWNER	SHARER'S PRIORITY SERVICES	ANTICIPATED RESPONSE TIME TO ATTEND STATION			
			less than 1hr	less than 2hr	less than 3hr	greater than 3hr
Northampton VHF	BBC	ILR		x		
Oxford	BBC	TV, ILR		x		
Pendle Forest	NTL	TV, LR			x	
Plymouth (Plumer Barracks)	BBC	ILR			x	
Pontop Pike	BBC	TV		x		
Presely	NTL	TV	x			
Redruth	BBC	TV			x	
Reigate	BBC	ILR			x	
Ridge Hill	NTL	TV, NR		x		
Rosemarkie	BBC	TV	x			
Rowridge	BBC	TV	x			
Rumster Forest	NTL	TV, NR			x	
Sandy Heath	NTL	TV, LR	x			
Selkirk	NTL	TV			x	
Sheffield (Tapton Hill)	BBC	TV, ILR		x		
Sideway	BBC	ILR		x		
Stockland Hill	NTL	TV	x			
Stockton	BBC	ILR	x			
Storeton	BBC	TV			x	
Sudbury	BBC	TV		x		
Sutton Coldfield	BBC	TV, ILR	x			
Tacolneston	BBC	TV	x			
The Wrekin	BBC	TV, ILR	x			
Torbay (Ocombe)	BBC	ILR			x	
Tunbridge Wells	BBC	TV		x		
Waltham	NTL	TV		x		

STATION	STATION OWNER	SHARER'S PRIORITY SERVICES	ANTICIPATED RESPONSE TIME TO ATTEND STATION
Wenvoe	BBC	TV	x
Whitehawk Hill (Brighton)	BBC	TV, ILR	x
Winter Hill	NTL	TV, LR	x
Wrexham-Rhos	NTL	TV	x

Key:TV=Television
SHF=Link
NR=National Radio
LR=BBC Local Radio
ILR=NTL Local Radio

NOTE

In this Appendix A Part 9 the anticipated response time is calculated for fault call outs reported between the hours of 0800 - 1630. For response times outside those times an additional hour must be added in each case.

Special security problems may cause delays in anticipated response times on these indicated Stations.

#Delays may arise in the anticipated response times to these Stations which are on island sites accessed by ferries.

IN WITNESS whereof the Common and Corporate Seals of the parties hereto were hereunto affixed and this agreement was executed and delivered as a Deed the day and year first above written.

The Common Seal of)
NATIONAL TRANSCOMMUNICATIONS)SEAL
LIMITED was hereunto affixed)
in the presence of:-)

DirectorD S Chambers

DirectorR A McKellar

The Corporate Seal of THE) BRITISH
BROADCASTING)SEAL CORPORATION was
hereunto)
affixed in the presence of:-)

Governor Bill Jordan

A Proper OfficerJohn Birt

SCHEDULE IV

On or after expiration of the Compulsory Period (see Clause 10.8.2) the following applies:

		Where Sharer ceases to provide Technical Services to the Sub-Licensee	Where Sharer Provides Technical Services to the Sub-Licensee		
----- COMMON ACCOMMODATION -----					
(1)	Sharer terminates sub-licence (with a view to Sub-Licensee obtaining a direct site sharing licence from the Station Owner) (Clause 10.2.(ii))			(1)	Sharer remains (Clause 10.1.2.1)
(2)	Sharer's Site Licence amended if appropriate (Clause 10.2.(ii))	Station Owner Equipment	Sub-Licensee Equipment *	Sharer Equipment	(2) Sub-licence of Sub-Licensee remains in place (Clause 10.1.2.1)
(1)	Sharer terminates sub-licence (with a view to Sub-Licensee obtaining a direct site sharing licence from Station Owner) (Clause 10.2.(ii))			(1)	Station Owner right to require Sharer to terminate sub-licence (with a view to Sub-Licensee obtaining a direct site sharing licence from Station Owner) (Clause 10.2.(i))
----- COMMON ACCOMMODATION -----					
(2)	Sharer's Site Licence amended or terminated if appropriate (Clause 10.2.(ii))	Station Owner Equipment	Sub-Licensee Equipment		(2) Sharer's Site Licence amended or terminated if appropriate (Clause 10.2.(i))
----- EXCLUSIVE ACCOMMODATION -----					
(1)	Sharer terminates sub-licence (Clause 10.3)			(1)	Sharer remains (Clause 10.1.2.1)

(2) Sharer may grant new sub-licence of part of Sharer's Exclusive Accommodation but Sub-Licence must enter into a site licence with Station Owner to retain any Equipment at the Station other than in the Sharer's Exclusive Accommodation. (Clause 10.3)	----- Sharer Equipment	----- Sub- Licencee Equipment	(2) Sub-licence of Sub-Licencee remains in place (Clause 10.1.2.1)
(3) Sharer's Site Licence amended if appropriate (Clause 10.3)	-----		
	----- EXCLUSIVE ACCOMMODATION		
(1) Station Owner right to require Sharer to give up Exclusive Accommodation (Clause 10.5(i))			(1) Station Owner right to require Sharer to give up Exclusive Accommodation if a third party requests Accommodation at the Station for any services comprised in the Broadcast Channels. (Clause 10.4.(i))
(2) Sharer's Site Licence amended or terminated if appropriate (Clause 10.5(ii))	----- Sub- Licencee Equipment		(2) Sharer's Site Licence amended or terminated if appropriate (Clause 10.4.(ii))
	----- NOTE * (local radio licensee only) (Clause 10.1.2.1)		

DATE: 21ST MAY, 1997

CASTLE TRANSMISSION INTERNATIONAL LTD
AS BORROWER

CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD
AS GUARANTOR

THE LENDERS LISTED IN SCHEDULE 1

CREDIT SUISSE FIRST BOSTON
AS ARRANGER

J.P. MORGAN SECURITIES LTD.
AS CO-ARRANGER

CREDIT SUISSE FIRST BOSTON
AS AGENT

LOAN AMENDMENT AGREEMENT
(Pounds)162,500,000 TERM AND REVOLVING LOAN FACILITIES
BEING AMENDED TO A (Pounds)64,000,000 REVOLVING LOAN FACILITY

SLAUGHTER AND MAY
35 BASINGHALL STREET
LONDON
EC2V 5DB

LOAN AMENDMENT AGREEMENT
(Pounds)162,500,000 TERM AND REVOLVING LOAN FACILITIES
BEING AMENDED TO A (Pounds)64,000,000 REVOLVING LOAN FACILITY

DATE: 21st May 1997

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, as guarantor
3. THE LENDERS listed in Schedule 1, as lenders
4. CREDIT SUISSE FIRST BOSTON, as agent
5. CREDIT SUISSE FIRST BOSTON, as arranger
6. J.P. MORGAN SECURITIES LTD., as co-arranger

BACKGROUND

- (A) On 28 February 1997 the Loan Agreement was entered into between the parties to this Agreement. Under the Loan Agreement the Lenders agreed to provide term and revolving loan facilities of (Pounds)162,500,000 to the Borrower. These loan facilities are guaranteed by the Guarantor and secured by charges granted by the Borrower and the Guarantor.
- (B) At the request of the Borrower the parties have agreed to amend the terms of the Loan Agreement and the Charges on the terms of 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 DEFINITIONS

In this Agreement:

"BONDS" means the (Pounds)125,000,000 Guaranteed Bonds due 2007 issued on or after the date of this Agreement by Castle Transmission (Finance) plc (a company incorporated in England and Wales with registered number 3347387).

"CLOSING" means the time of closing of the Bonds.

"DEPOSIT CHARGE AMENDMENT AGREEMENT" means the deposit charge amendment agreement dated the date of Closing, made between the Borrower and Credit Suisse First Boston as trustee for the Lenders.

"INTER-COMPANY LOAN AGREEMENT" means the inter-company loan agreement dated the date of Closing, made in the agreed form between Castle Transmission (Finance) plc and the Borrower.

"LOAN AGREEMENT" means the loan agreement relating to (Pounds)162,500,000 term and revolving loan facilities dated 28 February 1997, made between the parties to this Agreement.

"TERM LOAN" has the meaning described in the Loan Agreement as read and construed prior to its amendment by this Agreement.

"UPDATED BUSINESS PLAN AND FINANCIAL MODEL" means:

- (A) the business plan prepared on behalf of the Borrower after the date of this Agreement in the agreed form; and
- (B) the financial model (or models) prepared on behalf of the Borrower after the date of this Agreement in the agreed form.

1.3 SCOPE

This Agreement is supplemental to and amends the Loan Agreement.

2. CONDITIONS PRECEDENT

2.1 CONDITIONS PRECEDENT

The Borrower agrees to deliver the following items to the Agent at or before Closing, in a form satisfactory to the Agent:

- (A) A copy of the Memorandum and Articles of Association of the Borrower in the agreed form. This copy must be certified by a director or the secretary of the Borrower to be complete, up-to-date and in full force and effect.
- (B) A copy of a resolution of the board of directors of the Borrower in the agreed form, approving and authorising the signature and delivery of this Agreement and the Deposit Charge Amendment Agreement. The copy must be certified by a director or the secretary of the Borrower to be a true copy of duly passed resolutions each of which is in full force and effect.
- (C) A copy of the Memorandum and Articles of Association of the Guarantor in the agreed form. The copy must be certified by a director or the secretary of the Guarantor to be complete, up-to-date and in full force and effect.
- (D) A copy of a resolution of the board of directors of the Guarantor in the agreed form, approving and authorising the signature and delivery of this Agreement. The copy must be certified by a director or the secretary of the Guarantor to be a true copy of a duly passed resolution which is in full force and effect.
- (E) Evidence that the following documents have been signed in the agreed form:
 - (i) the subscription agreement relating to the Bonds dated 14 May 1997 made between Castle Transmission (Finance) plc, the Borrower, the Guarantor, Credit Suisse First Boston (Europe) Limited and J.P. Morgan Securities Ltd.;
 - (ii) the trust deed relating to the Bonds dated the date of Closing Closing made between Castle Transmission (Finance) plc, the Borrower, the Guarantor and The Law Debenture Trust Corporation p.l.c.;
 - (iii) the Deposit Charge Amendment Agreement;
 - (iv) the Inter-Company Loan Agreement; and

(v) the undertaking from TeleDiffusion de France International S.A. described in paragraph 15 of Schedule 3 of the Loan Agreement, duly signed on behalf of TeleDiffusion de France International S.A.

(F) A legal opinion from Slaughter and May, English legal advisers to the Agent.

2.2 OPTIONAL PREPAYMENT

Provided that Closing occurs, the Borrower agrees to prepay the Term Loan by making the following payments to the Agent:

- (A) (Pounds)121,076,250, being the net proceeds of the issue of the Bonds.
- (B) (Pounds)36,423,750, being all or part of the proceeds of the borrowing referred to in Clause 2.3.
- (C) Any amounts arising under Clause 10.7 of the Loan Agreement. For this purpose the prepayments described in this sub-clause will be treated as being optional prepayments under Clause 9.1 of the Loan Agreement. However, for these purposes the Borrower is not obliged to deliver the notice described in Clause 9.1 of the Loan Agreement. The Lenders confirm that no amounts will arise under Clause 10.7 of the Loan Agreement if Closing occurs before 12.30 p.m. on 21st May, 1997.

These payments will be made at Closing in accordance with the provisions of Clause 11 of the Loan Agreement. Clause 3.3 also applies to these payments.

2.3 NOTICE OF BORROWING

The Borrower agrees to deliver to the Agent at or before Closing a notice or notices of borrowing in accordance with the provisions of Clause 6 of the Loan Agreement (other than Clause 6.1(C) which will not apply). The notice or notices will request a borrowing of an aggregate amount not less than the amount described in Clause 2.2(B) to be made as an Advance or Advances on the day of Closing.

3. AMENDMENT OF THE LOAN AGREEMENT

3.1 NOTICE TO THE LENDERS

This Clause applies if:

- (A) Closing occurs;

- (B) the Agent receives the items described in Clause 2.1 at or before Closing;
- (C) the Agent receives the amounts referred to in Clause 2.2(A) and (if applicable) Clause 2.2(C) at Closing;
- (D) the Agent receives the notice or notices of borrowing described in Clause 2.3 at or before Closing; and
- (E) the requirements of Clause 6.4 of the Loan Agreement are satisfied at Closing. For these purposes Clause 6.4 of the Loan Agreement will be deemed to have been amended so that it will be read and construed as set out in Schedule 1 to this Agreement as if those amendments were already effective.

In this event the Agent will notify the Lenders in writing at Closing.

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 Loan Agreement will be amended so that it will be read and construed as is set out in Schedule 1. The 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 Loan Agreement as amended by this Agreement and to this Agreement.
- (B) Each Lender will advance its participation in the Advance or Advances requested in the notice or notices of borrowing described in Clause 2.3 at Closing. These advances will be made in accordance with the provisions of Clause 11 of the Loan Agreement. Clause 3.3 also applies to these advances.
- (C) The Deposit Charge Amendment Agreement will take effect in accordance with its terms.

3.3 NETTING OF PAYMENTS

The Borrower has, subject to the terms of this Agreement and the Loan Agreement, agreed to prepay the amount described in Clause 2.2(B). This prepayment is to be made using all or part of the proceeds of the borrowing referred to in Clause 3.2(B). The parties agree that the Borrower's obligation to prepay the amount described in Clause 2.2(B), and the Lenders' obligations to advance an equivalent amount under Clause 3.2(B), will each be deemed to

be satisfied by the Borrower satisfying its obligations under Clause 2 (other than under Clause 2.2(B)).

4. MISCELLANEOUS

4.1 UNDERTAKING AND REPRESENTATION

- (A) The Borrower will procure the preparation of the Updated Business Plan and Financial Model as soon as reasonably practicable following Closing, and in any event within 30 days of Closing.
- (B) The Updated Business Plan and Financial Model have been prepared on a reasonable basis using reasonable assumptions and the Borrower does not have any reason to believe that they contain a misstatement material in the context of this Agreement. This representation is given as at the date of the Updated Business Plan and Financial Model or, if not dated, as at the date they are signed as being in the agreed form. It is not given as at the date of this Agreement.

4.2 EXPIRY

The obligations and rights constituted by this Agreement will be extinguished on the date one month after the date of this Agreement if Closing has not occurred on or prior to that date.

4.3 WAIVER

The Lenders waive any breach of the Loan Agreement which arises as a result of the agreement by Castle Transmission (Finance) plc, the Borrower and the Parent to issue and, as the case may be, guarantee the Bonds, and as a result of the acquisition of Castle Transmission (Finance) plc by the Borrower.

4.4 LAW

This Agreement is to be governed by and construed in accordance with English law.

4.5 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

- - - - -

CASTLE TRANSMISSION INTERNATIONAL LTD

Address: Warwick Technology Park,
Gallows Hill,
Heathcote Lane,
Warwick CV34 6TN.

Fax Number: 01926 416441

Attention: Company Secretary

By: TED MILLER

PARENT

- - - - -

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: TED MILLER

ARRANGER

- - - - -

CREDIT SUISSE FIRST BOSTON

By: JULIE GAVIN STEVEN JONES

CO-ARRANGER
- - - - -

J.P. MORGAN SECURITIES LTD.

By: FIONA MELROSE

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

By: JULIE GAVIN STEVEN JONES

MORGAN GUARANTY TRUST COMPANY OF NEW YORK

Address: 60 Victoria Embankment,
London EC4Y 0JP

Fax Number: 0171 325 8190

Telex Number: 896631 MGT

Attention: Credit Operations

By: FIONA MELROSE

AGENT
- - - - -

CREDIT SUISSE FIRST BOSTON

Address: Five Cabot Square,
London E14 4QR

Fax Number: 0171 888 8398

Attention: Agency Services Unit

By: JULIE GAVIN STEVEN JONES

SCHEDULE 1: AMENDED LOAN AGREEMENT

DATE: 28 FEBRUARY, 1997

CASTLE TRANSMISSION INTERNATIONAL LTD
AS BORROWER

CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD
AS GUARANTOR

THE LENDERS LISTED IN SCHEDULE 1

CREDIT SUISSE FIRST BOSTON
AS ARRANGER

J.P. MORGAN SECURITIES LTD.
AS CO-ARRANGER

CREDIT SUISSE FIRST BOSTON
AS AGENT

(Pounds)64,000,000 REVOLVING LOAN FACILITY

SLAUGHTER AND MAY
35 BASINGHALL STREET
LONDON EC2V 5DB

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AMENDED LOAN AGREEMENT

DATE: 28 February, 1997

PARTIES

1. CASTLE TRANSMISSION INTERNATIONAL LTD (formerly known as CASTLE TRANSMISSION SERVICES LTD), 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, as guarantor
3. THE LENDERS listed in Schedule 1, as lenders
4. CREDIT SUISSE FIRST BOSTON, as agent
5. CREDIT SUISSE FIRST BOSTON, as arranger
6. J.P. MORGAN SECURITIES LTD. as co-arranger

BACKGROUND

At the request of the Borrower the Lenders are willing to provide a (Pounds)64,000,000 revolving loan facility to the Borrower on the terms of this Agreement. The loan facility is to be guaranteed by the Guarantors and secured by the Charges granted by the Borrower and the Guarantors.

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 21.12, "AGENT" will instead mean the new Agent appointed under that Clause.

"AMORTISATION DATE" has the meaning described in Clause 56.

"APPLICABLE MARGIN" means 0.85%.

"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 REVOLVING FACILITY COMMITMENT" means the amount of a Lender's Revolving Facility Commitment which is available to the Borrower. On any day it is that Lender's Revolving Facility Commitment on that day less that Lender's aggregate participation in all outstanding Advances.

"BBC" means The British Broadcasting Corporation.

"BONDS" means the (Pounds)125,000,000 Guaranteed Bonds due 2007 expected to be issued on the First Amendment Date by CT Finance.

"BORROWER" means Castle Transmission International Ltd, the first party to this Agreement.

"BORROWER'S GROUP" has the meaning described in Clause 18.1.

"BUSINESS DAY" means a day on which banks are open for inter-bank payments in London.

"BUSINESS PLAN AND FINANCIAL MODEL" means:

- (A) the business plan prepared on behalf of the Parent dated 26 November, 1996 in the agreed form; and
- (B) the Project Windsor Equity Base Case Model (with revisions) dated 20 January, 1997 and the Senior Bank Debt Base Case Model dated 20 January, 1997 in the agreed form.

"CHARGED ACCOUNT" means the account of the Borrower with the Agent which is the subject of the deposit agreement and charge on cash deposits dated the same date as this Agreement and amended with effect from the First

Amendment Date and made between the Borrower as depositor and Credit Suisse First Boston as agent and trustee for the Lenders.

"CHARGES" means:

- (A) the debenture creating fixed and floating charges dated the same date as this Agreement and made between the Parent, the Borrower and Credit Suisse First Boston as trustee for the Lenders;
- (B) the deposit agreement and charge on cash deposits dated the same date as this Agreement and amended with effect from the First Amendment Date and made between the Borrower as depositor and Credit Suisse First Boston as trustee for the Lenders;
- (C) each deed of accession executed and delivered pursuant to Clause 28.2 of the debenture mentioned in paragraph (A);
- (D) any other document creating in any foreign jurisdiction a form of security similar to that created under the document described in paragraph (A) above in a form satisfactory to the Agent but which shall not contain terms materially more onerous than the document described in paragraph (A) above; and
- (E) 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.

"CO-ARRANGER" means each of Credit Suisse First Boston and J.P. Morgan Securities Ltd, in its capacity as arranger or co-arranger of the Facilities.

"COMPANY" means any of the Borrower and each Guarantor.

"COMPLETION DATE" means the same date as this Agreement, being the date on which the Parent acquired the issued share capital of the Borrower under the Share Sale Agreement.

"CONTRACTS OF SERVICES" means the contracts of services dated the same date as this Agreement between the Borrower and each of Castle Tower Corporation and TeleDiffusion de France International S.A..

"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 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).

"DEBT COVERAGE" has the meaning described in Clause 18.1.

"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.

"EBITDA" has the meaning described in Clause 18.1.

"EQUITY CONSORTIUM" means Castle Tower Holding Corporation, TeleDiffusion de France International S.A., Berkshire Partners LLC and Candover Investments plc.

"EXCEPTIONAL ITEMS" has the meaning described in Clause 18.1.

"EXCESS CASH FLOW" has the meaning described in Clause 18.1.

"EXTRAORDINARY ITEMS" has the meaning described in Clause 18.1.

"FACILITY TERMINATION DATE" means 31 May 2002 or, if earlier, the date the Revolving Facility is cancelled in full in accordance with the terms of this Agreement.

"FINANCIAL INDEBTEDNESS" has the meaning described in Clause 18.1.

"FINANCING DOCUMENT" means each of this Agreement and each Charge.

"FIRST AMENDMENT DATE" has the meaning described in Clause 1.2.

"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 14.

"GUARANTOR" means the Parent and each company which has become an additional guarantor in accordance with Clause 19.1(W).

"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 prepared to assist in syndication of the Revolving Facility.

"INTER-COMPANY LOAN AGREEMENT" means the inter-company loan agreement dated the First Amendment Date, between CT Finance and the Borrower.

"INSTRUCTING GROUP" means Lenders whose Revolving Facility Commitments exceed 66.6% in aggregate of the total. If, however, an Advance has been made "INSTRUCTING GROUP" means Lenders whose participations in the Loan exceed 66.6% in aggregate.

"INTEREST" has the meaning described in Clause 18.1.

"INTEREST PERIOD" means each period described in Clause 7.1.

"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 Revolving Facility 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 Revolving Facility.

"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 for a particular period. It will be determined as follows:

- (A) "LIBOR" will be the offered rate which appears on the Screen for deposits in the currency of that amount for that period. This rate will be determined at or about 11.00 a.m. on the first day of the period.
- (B) If no rate appears on the Screen for the necessary currency and period, "LIBOR" will be based on the rate at which deposits of that amount and currency 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 first day of the 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 10.3 applies.

"LOAN" means the aggregate principal amount borrowed and not repaid under the Revolving Facility.

"MATERIAL CONTRACT" means the Transmission Agreement, the NTL Site Sharing Agreement, the Share Sale Agreement and any other contract generating 5% or more of the Borrower's gross revenues (measured annually).

"NET CASH INTEREST" has the meaning described in Clause 18.1.

"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.

"NTL SITE SHARING AGREEMENT" means the deed dated 10 September, 1991 between National Transcommunications Limited and the BBC relating to site sharing.

"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 12.

"OVERDRAFT FACILITIES" means any overdraft facilities (which may be in sterling or other currencies) provided to the Borrower by Overdraft Banks which have signed Overdraft Bank Agreements.

"PARENT" means Castle Transmission Services (Holdings) Ltd, the second party to this Agreement.

"POTENTIAL TERMINATION EVENT" means an event or state of affairs which is mentioned in Clause 20.1 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.

"REFERENCE BANKS" means, initially, the principal London offices of Credit Suisse First Boston, Morgan Guaranty Trust Company of New York and another Lender selected by the Co-arrangers following consultation with the Borrower. 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.

"REVOLVING FACILITY" means the revolving loan facility described in Clause 2.1.

"REVOLVING FACILITY COMMITMENT" means the amount which a Lender has committed to the Revolving Facility. Each Lender's initial "REVOLVING FACILITY COMMITMENT" is the amount set out next to its name in Schedule 1. This may be reduced or revised in accordance with this Agreement. In addition the amount of a Lender's "REVOLVING FACILITY COMMITMENT" may be adjusted by assignments and assumptions in accordance with Clause 24.2 and novations in accordance with Clause 24.3.

"SCREEN" means the Telerate Page 3750. The Agent may nominate an alternative source of screen rates if this page is replaced by others which display the rates for inter-bank deposits offered by leading banks in London.

"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 23 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 23 January, 1997 and made between Berkshire Fund IV Investment Corp., Berkshire Investors LLC, Berkshire Partners LLC, Candover Investments PLC, Candover (Trustees) Limited, Candover Partners Limited (as general partner of four partnerships), Castle Tower Holding Corporation, TeleDiffusion de France International S.A. and the Parent.

"SUBORDINATED LOAN AGREEMENT" means the agreement dated the same date as this Agreement 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.

"TANGIBLE NET WORTH" has the meaning described in Clause 18.1.

"TERMINATION EVENT" has the meaning described in Clause 20.1.

"TOTAL INTEREST PAYABLE" has the meaning described in Clause 18.1.

"TOTAL REVOLVING FACILITY COMMITMENTS" means the aggregate of the Revolving Facility Commitments of all the Lenders.

"TRANSACTION DOCUMENTS" means each Financing Document, each Hedging Contract, the Share Sale Agreement, the Transmission Agreement, the NTL Site Sharing Agreement, the Transfer Scheme and the Subordinated Loan Agreement.

"TRANSFER SCHEME" means the transfer scheme dated 24 February, 1997 and made by the BBC in favour of, among others, the Borrower for the transfer of property, rights and liabilities relating to the BBC's transmission business.

"TRANSMISSION AGREEMENT" means the agreement between the Borrower and the BBC dated 27 February, 1997 relating to the transmission by the Borrower of television and radio programmes produced by the BBC.

"TRANSMISSION BUSINESS" means the business previously carried on by the BBC and assumed by the Borrower under the Transfer Scheme, being the provision (whether by analogue or by digital means) of broadcasting, transmission and signal distribution services for radio and television.

"(Pounds)162,500,000 TERM AND REVOLVING LOAN FACILITIES AGREEMENT" means the (Pounds)162,500,000 term and revolving loan facilities agreement dated 28 February,

1997 made between the parties to this Agreement, as read and construed prior to its amendment.

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 1 January and ending on 31 December. This applies even where the Borrower's statutory accounting reference date is a date other than 31 December.
- (J) References to:
 - (i) the "SAME DATE AS THIS AGREEMENT", and similar expressions, are references to 28 February 1997.
 - (ii) the "FIRST AMENDMENT DATE" are references to the date on which the first amendment to this Agreement becomes effective, which is expected to be 21 May 1997.

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:

$$I = \frac{D}{Y} \times R \times A$$

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.

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. 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.

PART II : THE REVOLVING FACILITY

2. THE REVOLVING FACILITY

2.1 AMOUNT AND NATURE

The Revolving Facility is a (Pounds)64,000,000 revolving loan facility maturing in May 2002 under which Advances will (subject to the terms and conditions of this Agreement) be made by the Lenders to the Borrower.

2.2 PURPOSE

- (A) The Borrower agrees to use the proceeds of the first Advance made on the First Amendment Date to repay amounts borrowed by the Borrower under the (Pounds)162,500,000 Term and Revolving Loan Facilities Agreement. The amount of this Advance will be (Pounds)36,423,750. Clause 6.2(B) will not apply to this Advance.
- (B) The Borrower agrees to use the proceeds of all other Advances for any of the following purposes:
- (i) To finance its working capital requirements and for its general corporate purposes, in an amount not exceeding (Pounds)46,500,000 at any one time outstanding.
 - (ii) To finance capital expenditure in respect of digital terrestrial television (or to repay any outstanding Advance previously drawn under this sub-paragraph on the last day of the Interest Period applicable to that Advance) (but without prejudice to sub-paragraph (i) above).

2.3 EXPIRY OF AVAILABILITY

The Borrower may not borrow under the Revolving Facility after the date falling one month before the Facility Termination Date.

2.4 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 Co-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:

$$P = \frac{C \times A}{F}$$

where:

- P = the participation of that Lender in the Advance
- C = the Available Revolving Facility Commitment of that Lender on the Advance Date for that Advance
- F = the aggregate Available Revolving Facility Commitments of all the Lenders on that Advance Date
- A = the amount of the Advance.

4. FEES AND EXPENSES

4.1 MANAGEMENT FEE

The Borrower agrees to pay a management fee to the Co-arrangers. The amount of this fee, the timing of payment and the payees are described in a letter from the Co-arrangers to the Borrower dated the same date as this Agreement. This fee may be shared amongst the Lenders in accordance with the agreement between the Co-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 the same date as this Agreement.

4.3 COMMITMENT FEE

A commitment fee will accrue on the Available Revolving Facility Commitment of each Lender. This fee will accrue from the date of the commitment letter signed by the Parent and the Co-arrangers relating to this Agreement until the date falling one month before the Facility Termination Date.

The rate of the fee will be as follows:

- (A) from but excluding the date of the commitment letter signed by the Parent and the Co-arrangers relating to this Agreement up to and including the First Amendment Date, 0.50% per annum; and

(B) from but excluding the First Amendment Date up to and including the date falling one month before the Facility Termination Date, 0.425% per annum.

The Borrower agrees to pay the fee to each Lender in arrear at three-monthly intervals and on the Facility Termination Date.

4.4 REIMBURSEMENT OF INITIAL EXPENSES

The Co-arrangers and the Agent have incurred and will incur expenses in connection with the arrangement of the Revolving Facility. The Borrower agrees to reimburse each of the Co-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 the fees of environmental advisers and accountants. They also include expenses incurred (after as well as before the signing of this Agreement) in perfecting any security constituted by the Charges and as part of the syndication process of the Revolving Facility arranged by the Co-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

A Co-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 Co-arranger, the Agent or that Lender for the amount of these expenses.

5. CANCELLATION

5.1 VOLUNTARY CANCELLATION

The Borrower may cancel the whole or part of the Total Revolving Facility 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 part of the Total Revolving Facility Commitments will, however, only take effect if the conditions in Clause 5.2 are satisfied. The Borrower may only cancel a part of the Total Revolving Facility Commitments which is a minimum amount of (Pounds)1,000,000 and an integral multiple of (Pounds)500,000.

5.2 CONDITIONS PRECEDENT TO VOLUNTARY CANCELLATION

A voluntary cancellation of part of the Total Revolving Facility Commitments under Clause 5.1 will only be effective if both the following are true:

- (A) The Agent has received a certificate signed by the senior 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 Revolving Facility 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 Subsidiaries (a "DISPOSAL EVENT"). This does not apply to the following disposals:
 - (i) A disposal of obsolete assets.
 - (ii) Disposals realising Net Disposal Proceeds less than (Pounds)1,000,000 in aggregate in any financial year of the Borrower. Where the asset which is the subject of the disposal is being replaced, the Net Disposal Proceeds will be deemed for the purpose of this sub-paragraph to have been realised on the later of the date of disposal of that asset and the date of replacement of that asset (but no later than the date 6 months after that date of disposal).
 - (iii) A disposal between the Borrower and any Guarantor (which is a wholly-owned member of the Borrower's Group) or between Guarantors (each of which is a wholly-owned member of the Borrower's Group).
 - (iv) A disposal by a Subsidiary where each of the following is true:
 - (a) the 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 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 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.

(v) 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 date of this Agreement until the Facility Termination Date.

(C) AMOUNT OF MANDATORY CANCELLATION: The amount of the Total Revolving Facility Commitments which will be cancelled under this sub-clause will be an amount equal to the Net Disposal Proceeds.

(D) TIMING OF MANDATORY CANCELLATION: The amount of Total Revolving Facility 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 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 Subsidiaries realises cash from those proceeds.

Where the disposal proceeds are applied towards the cost of a replacement asset as described 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 Group of the Net Disposal Proceeds).

5.4 MANDATORY CANCELLATION ON FLOTATION

The Total Revolving Facility Commitments will be cancelled automatically with effect from the due date for repayment of the Loan under Clause 9.3(D).

5.5 EFFECT OF CANCELLATION

The Borrower may not borrow any part of the Total Revolving Facility Commitments which has been cancelled or which is the subject of a notice of voluntary cancellation. When any cancellation takes effect, the Revolving Facility Commitments of the Lenders will be reduced by an aggregate amount equal to the reduction of the Total Revolving Facility Commitments. Each Lender's Revolving Facility Commitment will be reduced in the same proportion.

5.6 AMORTISATION OF COMMITMENTS

The Total Revolving Facility Commitments will be reduced automatically to zero in three equal semi-annual instalments. Each reduction will be calculated by reference to the amount of Total Revolving Facility Commitments immediately prior to that reduction and the number of remaining instalments

at that time. For these purposes the Total Revolving Facility Commitments will be deemed to include any part of the Total Revolving Facility Commitments cancelled under Clause 5.1 since the preceding Amortisation Date or, where there has not been a prior Amortisation Date, since the First Amendment Date.

The reductions will take place on the following dates (the "AMORTISATION DATES"):

Amortisation Date

31 May 2001
30 November 2001
31 May 2002

or, if any such day is not a Business Day, the immediately preceding Business Day.

Each Lender's Revolving Facility Commitment will be reduced in the same proportion.

PART III : THE LOAN

6. ADVANCE OF FUNDS

6.1 NOTICE TO THE AGENT

When the Borrower wishes to borrow under the Revolving 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 amount to be borrowed;
- (B) the length of the Interest Period;
- (C) the date of the borrowing. This date must be no sooner than the first 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; and
- (D) the purpose for which the proceeds of the Advance are to be applied. Where the purpose specified is to finance any capital expenditure described in Clause 2.2(B)(ii), the notice must provide details of the proposed expenditure and must be certified by the senior financial officer of the Borrower.

6.2 LIMITATIONS ON ADVANCES

The following limitations apply to Advances:

- (A) No Advance may exceed the amount of the aggregate of the Available Revolving Facility Commitments of all the Lenders. This limitation will be applied as at the Advance Date. For this purpose:
 - (i) any part of the Total Revolving Facility Commitments which is subject to a notice of voluntary cancellation will be treated as cancelled;
 - (ii) any reduction of the Total Revolving Facility Commitments due to take effect on the Advance Date will be treated as having taken effect;
 - (iii) the amount of any Advance due to be repaid on the Advance Date will be treated as having been repaid; and
 - (iv) any other Advance due to be made on the Advance Date will be treated as having been made.
- (B) An Advance must be a minimum of (Pounds)1,000,000 and an integral multiple of (Pounds)500,000 or be the aggregate of the Available Revolving Facility Commitments of all the Lenders.
- (C) The Advance Date of an Advance must be a Business Day and at least one month before the Facility Termination Date.

- (D) The Interest Period of each Advance must comply with Clause 7.
- (E) There must be no more than seven Advances outstanding at any one time. For this purpose, as at any Advance Date any Advance due to be repaid on any Advance Date will be treated as having been repaid on that Advance 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 Revolving 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 16.1 (other than paragraphs (S), (T), (U) and (V) thereof) are true on the Advance Date; and
- (D) there is no outstanding Termination Event or Potential Termination Event on the Advance Date.

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. INTEREST

7.1 INTEREST PERIODS

Each Advance will have one Interest Period only.

7.2 DURATION OF INTEREST PERIODS

- (A) **ADVANCES:** The Interest Period for each Advance 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.
- (B) **INITIAL 3-MONTH PERIOD:** The Interest Period for an Advance which commences on a date within three months of the First Amendment Date or, if earlier, the completion of initial syndication of the Revolving Facility must be a period of 1 month.

7.3 SELECTION OF INTEREST PERIODS

- (A) **ADVANCES:** The Borrower may select the Interest Period for each Advance in its notice of borrowing.
- (B) **FAILURE TO SELECT:** When the Borrower does not select the Interest Period in accordance with paragraph (A), the Interest Period will be three months or such other period as will comply with Clauses 7.2 and 7.4.

7.4 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 the Interest Period for an Advance would otherwise begin before but end after an Amortisation Date. In this case that Interest Period will end on that Amortisation Date. This paragraph will not apply, however, in the case of an Advance which, when aggregated with any other Advances outstanding on that Amortisation Date, would amount to not more than the Total Revolving Facility Commitments available following the reduction of the Total Revolving Facility Commitments on that Amortisation Date.
- (C) Any Interest Period which would otherwise begin before but end after the Facility Termination Date will, subject to paragraph (D), 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.

7.5 RATE OF INTEREST

The rate of interest applicable during an Interest Period will be a rate per annum equal to LIBOR for that Interest Period plus the Applicable Margin plus the Costs Rate.

7.6 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 the 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. Payments which would otherwise have been due under paragraph (A) will be adjusted accordingly.

7.7 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. REPAYMENT

The Borrower agrees to repay each Advance made to it on the last day of the Interest Period for that Advance. Where on any date on which an Advance is to be repaid the Borrower borrows a further Advance then the Agent shall, unless the Borrower requests otherwise, apply the amounts to be advanced in or towards repayment of the Advance required to be repaid on that date. This will be treated as satisfying pro tanto the obligation of the Borrower to repay the relevant Advance and of the Lenders to make the relevant Advance.

9. PREPAYMENT

9.1 OPTIONAL PREPAYMENT

The Borrower may give notice that it will repay the whole or part of any Advance on any day prior to the last day of the Interest Period for that Advance. Clause 10.7 applies to any repayment under this sub-clause. This notice must state:

- (A) the date of prepayment, which will be at least 5 Business Days after the notice is received by the Agent;
- (B) which Advance is affected; and
- (C) the amount to be prepaid, which will be a minimum of (Pounds)4,000,000 or the whole of the amount outstanding under that Advance.

The Borrower agrees to prepay that Advance in accordance with its notice.

9.2 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 where:
- (i) the Total Revolving Facility Commitments are cancelled (in whole or in part) under Clause 5.3; and
 - (ii) as a result of that cancellation, the Loan would otherwise exceed the Total Revolving Facility Commitments following the cancellation.
- (C) AMOUNT OF MANDATORY PREPAYMENT: The amount the Borrower is obliged to repay under this sub-clause will be the amount by which the Loan would exceed the Total Revolving Facility Commitments as described in Clause 9.2(B)(ii).

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: 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 10.7 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 is due on a date other than the last day of the Interest Period applicable to the amount being repaid.

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.

9.3 MANDATORY PREPAYMENT 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, the Parent or any Holding Company of the Borrower or 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 10.7 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 Revolving Facility Commitments to zero.

9.4 NO OTHER PREPAYMENT

The Borrower may not repay the Loan early except in the manner permitted or required by this Agreement.

PART IV: CHANGES OF CIRCUMSTANCES AND PAYMENTS

10. CHANGES OF CIRCUMSTANCES

10.1 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 Revolving Facility. The illegality may relate to the performance of the Lender's obligations, the maintenance of the Revolving Facility or the Lender's funding arrangements. Each Lender confirms it is not acting illegally in relation to the Revolving Facility on the First Amendment Date.
- (B) CANCELLATION AND PREPAYMENT: If a Lender delivers a notice of illegality the Available Revolving Facility 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 the 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 10.7 applies to any cancellation or repayment under this sub-clause.

10.2 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 Revolving Facility 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 10.4 (or would have been so recoverable but for Clause 10.5) 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 Revolving Facility or the arrangements made by a Lender in funding its participation in the Revolving Facility.
- (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 and expenses 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 10.7 applies to this prepayment; and/or
 - (ii) the Borrower may deliver to that Lender a notice of cancellation. That Lender's Revolving Facility 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 First 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 date of this Agreement. This exception will not apply if the losses, reductions and expenses described in paragraph (A)(ii) result from any change after the First Amendment Date in, or in the interpretation or application of, the Basle Report, the Solvency Directive or the Own Funds Directive.

10.3 MARKET DISRUPTION

- (A) NATURE OF MARKET DISRUPTION: This sub-clause applies if any of (i), (ii), or (iii) are true:

- (i) Lenders with Available Revolving Facility Commitments exceeding 35% of the aggregate Available Revolving Facility Commitments notify the Agent that they believe that LIBOR would not reflect fairly the cost to them of funding their participations in any relevant Advance (the "AFFECTED ADVANCE"). 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 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 cannot be determined for any affected Advance because no rate appears on the Screen for sterling and the relevant Interest Period and fewer than two Reference Banks provide quotations.
 - (iii) Lenders with Available Revolving Facility Commitments exceeding 35% of the aggregate Available Revolving Facility Commitments notify the Agent that they are unable to fund their participations in any affected Advance in the London 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 rate of interest applicable to the affected Advance will be suspended. Instead the Borrower agrees to pay interest to the Lenders in respect of 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 which periods will, in aggregate, equal the Interest Period for the affected Advance. 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 for the period plus the Applicable Margin plus 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 the 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 in respect of the affected Advance will be determined in accordance with the agreement. Sub-paragraph (i) will not apply to the extent that it is expressly excluded by this 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 in respect of the affected Advance to the Lenders 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 in respect of the affected Advance to the Lenders in the manner agreed.
- (D) PREPAYMENT: If this sub-clause applies, the Borrower may deliver a notice of prepayment in respect of the affected Advance to the Agent. The Borrower agrees to prepay the affected Advance five Business Days after the Agent receives this notice (or on any later date or dates specified in the notice). Clause 10.7 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.

10.4 WITHHOLDINGS

- (A) WITHHOLDINGS AND DEDUCTIONS: This sub-clause applies if the Borrower or a Guarantor 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 10.7 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 Revolving Facility Commitments which, if drawn, would be subject (or the interest on which would be subject) to the withholding or deduction. Such part of the Total Revolving Facility Commitments will be reduced to zero on the date of delivery of that notice.

- (F) REFUND OF TAX CREDITS: If the Borrower makes a payment under Clause 10.4(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 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.

10.5 INLAND REVENUE TREATMENT OF THE LENDERS

The Borrower will not be required to pay increased amounts under Clause 10.4 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. The Lender agrees to notify the Agent if paragraph (A) or (B) above applies.

10.6 CONFIRMATIONS FROM LENDERS

The Borrower or the Agent may request a Lender to confirm whether or not the circumstances described in Clause 10.5(A) or (B) exist. Each Lender agrees to provide the confirmation requested as soon as reasonably practicable.

10.7 PREPAYMENT

This sub-clause applies if the Borrower is obliged to repay the Loan or any part of it under this Clause, Clause 9 or Clause 20.2. 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 the 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.

10.8 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, that Lender 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 will not, however, be obliged to do anything which in its opinion would or might have an adverse effect on it.

11. PAYMENTS

11.1 METHOD AND TIMING OF PAYMENTS

All payments under this Agreement must be made in immediately available funds in pounds. Each payment must be received by noon on the due date. Each payment must be for value on the due date.

11.2 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 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. 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 13.1.

(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(C) of the document described in paragraph (B) of the definition of "Charges" in Clause 11.

11.3 PAYMENTS TO THE BORROWER

Each payment by the Agent to the Borrower will be made to such account of the Borrower with such bank as the Borrower may notify to the Agent from time to time.

11.4 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.

11.5 CHANGE OF ACCOUNT

The Borrower or a Lender may change its receiving account by not less than five Business Days' notice to the Agent. The Agent may change its receiving account by giving not less than five Business Days' notice to the Borrower and the Lenders.

11.6 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.

11.7 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. Interest and commitment fee will be adjusted accordingly.

11.8 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 10.4 applies.

11.9 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 party 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 23.3. The notice will provide details of the amount set off.

12. LATE PAYMENT

12.1 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 LIBOR for that period plus the Applicable Margin plus the Costs Rate. 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.

12.2 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 12.1.

13. SHARING AMONG LENDERS

13.1 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 23.3. 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.

13.2 DETERMINATION BY THE AGENT

Where a Lender has issued a notice under Clause 13.1 the Agent will determine what payments, if any, are due under Clause 13.4. This determination will be made on the basis of the information contained in all the notices delivered to the Agent under Clause 13.1. The determination will be notified to the Borrower and the Lenders.

13.3 LITIGATION

In determining the amount due under Clause 13.4 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 13.1. This

only applies if that Lender could have joined in the proceedings or could have instituted its own proceedings, but failed to do so.

13.4 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 13.2.

13.5 OBLIGATIONS OF THE BORROWER AND THE GUARANTORS

Any amount due to the Recipient which would otherwise have been discharged as described in Clause 13.1 will be treated as not having been discharged to the extent of an amount which is or will be payable under Clause 13.4 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 13.2.

13.6 DISTRIBUTION

The Agent agrees to distribute to the Lenders the amount received by it under Clause 13.4 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.

13.7 RECOVERY

This sub-clause applies if an amount discharged as described in Clause 13.1 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 13.4 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 13.4.

PART V : GUARANTEE AND INDEMNITY

14. GUARANTEE

14.1 GUARANTEE

Each Guarantor guarantees the due and punctual performance of all obligations of the Borrower under this Agreement and each Overdraft Facility. This guarantee is unconditional and irrevocable.

14.2 AGREEMENT TO PAY

Each Guarantor agrees to pay on demand each amount due by the Borrower 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.

14.3 CONTINUING GUARANTEE

This guarantee is a continuing guarantee. No payment or other settlement will discharge any Guarantor's obligations until the Borrower's obligations have been discharged in full.

14.4 OTHER GUARANTEES AND SECURITY

This guarantee is in addition to, and independent of, any other guarantee or security.

14.5 ENFORCEMENT

This guarantee may be enforced before any steps are taken against the Borrower or any other Guarantor or under any other guarantee or Security.

14.6 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 11) in full by the Borrower 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 being or becoming void, invalid, illegal or unenforceable.
- (B) Any change, waiver or release of the Borrower's obligations.
- (C) Any concession or time being given to the Borrower.
- (D) The winding-up or re-organisation of the Borrower.
- (E) Any change in the condition, nature or status of the Borrower.
- (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.

14.7 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 15.

14.8 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 15.
- (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 any other person in respect of amounts paid under this guarantee; or
 - (ii) claim or exercise against the Borrower any right to any payment (whether or not in 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 the Revolving Facility has ceased to be available and there are no amounts outstanding under this Agreement.

14.9 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, 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.

14.10 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.

14.11 PRINCIPAL DEBTOR

Each Guarantor agrees to pay any amount which is expressed to be due from the Borrower 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. This sub-clause is in addition to each Guarantor's obligations as a guarantor. The payment by the Borrower or any Guarantor of any amount payable by virtue of this sub-clause will (subject to Clause 14.10) discharge pro tanto the obligations on each Guarantor to pay the amounts expressed to be payable by it under this sub-clause.

15. GUARANTOR'S INDEMNITY**15.1 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.

15.2 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 14). If this treatment is incorrect the Lender or the Agent will produce evidence of its loss.

PART VI : REPRESENTATIONS, COVENANTS AND TERMINATION EVENTS

16. REPRESENTATIONS

16.1 REPRESENTATIONS

Each Company confirms that each of the following is true as at the date of this Agreement (except in the case of paragraph (U), which is confirmed as at the date described in that paragraph):

- (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 it is to be conducted after the Completion Date. It also has corporate power to sign and deliver those of the Transaction 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 Transaction Documents to which it is a party.
- (C) AUTHORISATIONS: The signature and delivery on its behalf of those of the Transaction 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 Transaction Documents have been duly authorised by it.
- (D) BINDING OBLIGATIONS: This Agreement has been and, when executed, the other Transaction Documents (other than the NTL Site Sharing Agreement) to which it is a party will be duly signed and delivered by it. Its obligations described in the Financing Documents to which it is a party, when executed, will be 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 11) and in any legal opinion delivered under Clause 19.1(W)(iii) relating to its obligations under the Transaction Documents. Its material obligations under the other Transaction Documents to which it is a party, when executed, will be its valid and binding obligations in accordance with their terms.
- (E) LEGALITY AND CONTRAVENTIONS: The signature and delivery on its behalf of the Transaction Documents to which it is a party and the exercise of its rights and performance of its obligations under such Transaction 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 19.1(W)(iii) relating to its obligations under the Transaction Documents); 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 19.1(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(G)) contained in paragraph 8 of the opinion of Slaughter and May (the form of which is set out in Schedule 11) and in any legal opinion delivered under Clause 19.1(W)(iii) relating to its obligations under the Transaction Documents. Amounts due under this Agreement will, for security purposes, rank at least equally with amounts due under the Overdraft Facilities. No amounts have been repaid by the Borrower under the Subordinated Loan Agreement, and no amounts are repayable until all amounts expressed to be owed under the Financing Documents and the Overdraft Facilities have been paid in full and the Revolving Facility is 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 or as a result of the acquisition by the Borrower of the Transmission Business on the Completion Date.
- (H) ACCOUNTS: The audited financial statements and (if prepared) the consolidated audited financial statements most recently delivered under Clause 17.1 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 and the Borrower's 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 unfavourable 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 the Transmission Agreement. This representation does not apply to any litigation disclosed in the legal due diligence report from Norton Rose described in paragraph 11 of Schedule 3.
- (J) SECURITY: No Security exists over any of its assets, except as permitted by Clause 19.1(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.

Each Guarantor confirms that the following is true:

- (L) GUARANTEEING POWERS: It has the power to guarantee 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 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:

- (M) 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 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.

- (N) NO MATERIAL ADVERSE CHANGE:

(i) There has been no 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 18.2 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 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 Completion Date after the acquisition of the Transmission Business.

- (O) AGREEMENTS EFFECTIVE: Each of the Share Sale Agreement, the Shareholders Agreement, the Transmission Agreement and the Contracts for Services has been duly executed by all parties and is in full force and effect, each of the NTL Site Sharing Agreement and the Transfer Scheme 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.

- (P) LICENCES, ETC.: All licences, consents and authorisations necessary for the Borrower to conduct the Transmission Business, and for the members of the Borrower's Group to conduct the other material businesses operated by the Borrower's Group (taken as a whole), are in full force and effect.

- (Q) **BORROWINGS:** No member of the Borrower's Group has any Indebtedness for Borrowed Money, or has issued any guarantees, indemnities or other similar assurances, except as permitted under Clause 19.1(K) or as agreed by the Agent (acting on the instructions of an Instructing Group).
- (R) **TRANSMISSION AGREEMENT REPRESENTATIONS:** The representations given by the Borrower in the Transmission Agreement are true in all material respects as at the time they are made.
- (S) **NO PREVIOUS TRADING:** Neither the Borrower nor the Parent has traded prior to (in the case of the Borrower) the date the Transfer Scheme takes effect and (in the case of the Parent) the date of the Share Sale Agreement. At the Completion Date:
- (i) neither of them has any liabilities or commitments other than those arising in connection with the Transaction Documents and (in the case of the Borrower) the Transmission Business; and
 - (ii) neither of them owns any assets other than those arising or transferred under the Transaction Documents.
- (T) **EFFECT OF TRANSACTION DOCUMENTS:** Following the completion of the Share Sale Agreement on the Completion Date the Borrower:
- (i) will own or lease, free of all Security except as permitted by Clause 19.1(C), the assets transferred by the BBC under the Transfer Scheme;
 - (ii) these assets will enable it to conduct the Transmission Business substantially as conducted prior to the Completion Date and to perform its obligations under the Transmission Agreement and the NTL Site Sharing Agreement; and
 - (iii) the Transaction Documents provide for amounts and timings of payments which, taken as a whole, are consistent with the assumptions and basis of the Business Plan and Financial Model.
- (U) **INFORMATION MEMORANDUM:** The information incorporated in the Information Memorandum is true and correct in all material respects. 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. This representation is given as at the date of the Information Memorandum or, if it is not dated, the date it is issued to syndicate banks (and not as at the date of this Agreement).
- The Parent confirms that the following is true:
- (V) **BUSINESS PLAN AND FINANCIAL MODEL:** The Business Plan and Financial Model have been prepared on a reasonable basis using reasonable assumptions and the Parent does not have any reason to believe that they contain a misstatement material in the context of this Agreement.

16.2 REPETITION

All of the representations in Clause 16.1 except those in paragraphs (S), (T), (U) and (V) will be deemed repeated on the making of each Advance. This repetition will be with reference to the facts on that day.

16.3 SURVIVAL OF REPRESENTATIONS

Each of the representations made under this Agreement shall survive the making of each Advance (but are only repeated to the extent referred to in Clause 16.2).

16.4 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.
- (C) That Lender is a bank for the purposes of section 349(3) of the Income and Corporation Taxes Act 1988.

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.

17. INFORMATION COVENANTS

17.1 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 cash flow statement	90 days (or, in the case of the financial year ending 31 December 1997, 120 days) after the end of that financial year

DOCUMENT/INFORMATION -----	LATEST DATE -----
(b) Annual audited consolidated accounts of the Borrower's Group and of the Group, including profit and loss account, balance sheet and cash flow statement	90 days (or, in the case of the financial year ending 31 December 1997, 120 days) after the end of that financial year
(c) Quarterly unaudited management accounts of each Company certified to be correct by the Borrower's senior 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 and of the Group certified to be correct by the Borrower's senior 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 Borrower's senior 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 and of the Group certified to be correct by the Borrower's senior 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 senior financial officer of the Borrower stating:	At the time of delivery of the Borrower's Group's quarterly financial statements delivered under paragraph (d)
(i) the amount of Financial Indebtedness on the last day of the Quarter	
(ii) the aggregate of EBITDA for that Quarter and the preceding one (if any)	

DOCUMENT/INFORMATION -----	LATEST DATE -----
(h) Annual budget for the Borrower's 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 18.2 setting out the necessary computations. This certificate is to be signed by a director of the Borrower	At the time of delivery of each set of the Borrower's Group's quarterly financial statements delivered under paragraph (d)
(k) A certificate regarding: (i) compliance with the financial covenants in Clause 18.2; and (ii) 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)	At the time of delivery of each set of annual consolidated financial statements for the Borrower's Group delivered under paragraph (b)
setting out the necessary computations. This certificate is to be signed by a director of the Borrower	
(l) A statement signed by the auditors of the Borrower regarding compliance with the financial covenants in Clause 18.2	At the time of delivery of each set of annual consolidated financial statements for the Borrower's Group delivered under paragraph (b)
(m) The Completion Balance Sheet (as defined in the Share Sale Agreement)	5 Business Days after it is agreed or becomes effective

DOCUMENT/INFORMATION -----	LATEST DATE -----
(n) A certificate of Net Disposal Proceeds, setting out the necessary computations. This certificate is to be signed by the senior financial officer of the Borrower	5 Business Days after the date of any disposal which results in a requirement to make a Disposal Prepayment under Clause 9.2(B)
(o) A certificate of acquisition price, setting out the necessary computations. This certificate is to be signed by the senior financial officer of the Borrower	5 Business Days after the date of any acquisition of a business as described in Clause 19.1(L)
(p) Details of any treasury transaction as required by Clause 19.1(O)	As soon as reasonably practicable following the entering into of the transaction

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.

17.2 GAAP

The Borrower confirms and agrees that all financial statements to which Clause 17.1 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.

17.3 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.

17.4 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, the Transmission

Agreement or any licence, consent or authorisation required for the purposes of the Transmission 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.

17.5 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; and
- (B) all information provided to any holder of the Bonds in its capacity as such.

17.6 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 17.1.

18. FINANCIAL COVENANTS

18.1 DEFINITIONS

- (A) In this Agreement:

"BORROWER'S GROUP" means:

- (i) if the Borrower has no Subsidiaries, the Borrower; and
- (ii) if the Borrower has Subsidiaries, the Borrower and its Subsidiaries taken as a whole.

"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, amounts outstanding under the Revolving Facility drawn as Advances to finance the Borrower's working capital requirements (up to an aggregate maximum of (Pounds)10,000,000) will, to the extent otherwise included, be deducted from Financial Indebtedness.

"EBITDA" for any period means the profit of the Borrower's 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 arising from the acquisition of the Transmission Business and the amortisation of any acquisition costs (to the extent these are capitalised);
- (iv) before deducting any costs incurred in relation to the acquisition of the Transmission Business (to the extent that these are expensed);
- (v) before taking into account Interest accrued, whether or not paid, deferred or capitalised 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 any Exceptional Items in relation to provisions made for any reorganisation resulting from the acquisition of the Transmission Business and made within 18 months of the Completion Date.

"EXCEPTIONAL ITEMS" has the meaning given to it in FRS 3 issued by the Accounting Standards Board, but excluding any Extraordinary Items.

"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 equivalents in any relevant jurisdiction actually received in cash by any member of the Borrower's 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 9.2;
- (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;
- (viii) minus all capital expenditure to the extent financed from operating income and not funded from new equity or borrowing.

"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 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 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.

"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 Group (whether or not paid or capitalised during or deferred for payment after such period), but adjusted to take account of:

- (i) any amount receivable or payable during that period by any member of the Borrower's Group (after deducting all taxes applicable to that Interest 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 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.

"TANGIBLE NET WORTH" means at any time the amount (including share premium amount) paid up or credited as paid on the issued share capital of the Borrower:

- (i) plus the principal amount outstanding under the Subordinated Loan Agreement;
- (ii) plus the amount standing to the credit, or minus the amount standing to the debit, of the capital and revenue reserves of the Borrower;
- (iii) plus any amount standing to the credit and minus any amount standing to the debit of the profit and loss account of the Borrower;
- (iv) minus any amount attributable to goodwill or any other intangible asset;
- (v) minus any amount attributable to a revaluation of assets after the Completion Date;
- (vi) minus, to the extent included in reserves, deferred taxation.

"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 Group, adjusted to take account of any amount constituting Interest receivable or payable during that period by any member of the Borrower's Group (after deducting all taxes applicable to that Interest 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 Subsidiaries); or
 - (b) the consolidated financial statements of the Borrower and its Subsidiaries (if the Borrower has Subsidiaries),

in each case, delivered pursuant to Clause 17.1.

- (ii) For the purposes of Clause 18.1 no item shall be deducted or credited more than once in any calculation.

18.2 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 aggregate EBITDA and aggregate Total Interest Payable for the last four Quarters (or the number of Quarters ending on or after 31 March 1997 if there have not been four complete Quarters since the Completion Date) and tested each Quarter, is not to be less than:

Quarter ending -----	Required Ratio -----
31 December 1997	2.00 : 1
31 March 1998	2.00 : 1
30 June 1998	2.00 : 1
30 September 1998	2.00 : 1
31 December 1998	2.25 : 1
31 March 1999	2.25 : 1
30 June 1999	2.50 : 1
30 September 1999	2.50 : 1
31 December 1999	2.50 : 1
31 March 2000	2.50 : 1
30 June 2000	2.50 : 1
30 September 2000	2.50 : 1
31 December 2000	2.50 : 1
31 March 2001	3.00 : 1
30 June 2001	3.00 : 1
30 September 2001	3.00 : 1
31 December 2001	3.00 : 1
31 March 2002	3.50 : 1

- (B) Debt Coverage computed on the basis of the aggregate EBITDA for the last four Quarters (or the number of Quarters ending on or after 31 March 1997 if there have not been four complete Quarters since the Completion Date, in which case the aggregate EBITDA will be grossed up to produce an annual figure) and tested each Quarter (using the

amount of Financial Indebtedness on the last day of that Quarter), is not to be more than:

Quarter ending -----	Required Ratio -----
30 September 1997	6.00 : 1
31 December 1997	6.00 : 1
31 March 1998	6.00 : 1
30 June 1998	6.00 : 1
30 September 1998	5.50 : 1
31 December 1998	5.50 : 1
31 March 1999	5.00 : 1
30 June 1999	5.00 : 1
30 September 1999	4.50 : 1
31 December 1999	4.50 : 1
31 March 2000	4.50 : 1
30 June 2000	4.50 : 1
30 September 2000	4.00 : 1
31 December 2000	4.00 : 1
31 March 2001	3.50 : 1
30 June 2001	3.50 : 1
30 September 2001	3.50 : 1
31 December 2001	3.50 : 1
31 March 2002	3.50 : 1

(C) Tangible Net Worth tested at the end of each Quarter is not to be less than:

Quarter ending -----	Required amount ----- (Pounds) -----
31 December 1997	46,000,000
31 March 1998	46,000,000
30 June 1998	46,000,000
30 September 1998	46,000,000

Quarter ending -----	Required amount ----- (Pounds) -----
31 December 1998	47,500,000
31 March 1999	47,500,000
30 June 1999	47,500,000
30 September 1999	47,500,000
31 December 1999	50,000,000
31 March 2000	50,000,000
30 June 2000	50,000,000
30 September 2000	50,000,000
31 December 2000	55,000,000
31 March 2001	55,000,000
30 June 2001	55,000,000
30 September 2001	55,000,000
31 December 2001	60,000,000
31 March 2002	60,000,000

19. GENERAL COVENANTS

19.1 COVENANTS

Each Company (or, if the relevant paragraph so provides, the Borrower) 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 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 the Transmission Agreement. 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 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 Guarantor (which is a wholly-owned member of the Borrower's Group) or between Guarantors (each of which is a wholly-owned member of the Borrower's Group).

No disposal of any of the Borrower's rights under the Transmission Agreement 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 Transmission Business substantially as before. For this purpose the Agent is entitled to rely on a certificate from the Borrower (signed by a director of the Borrower) 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 9.2 as a result of that disposal by the acquiror, and
- (b) at the time of the original disposal to the acquiror any Company 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 may dispose of its assets as it sees fit.

(E) COMPLIANCE WITH LAWS: It 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 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 16.1 which are deemed to be repeated by reason of clause 16.2 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 Subsidiaries of the Borrower which have become Guarantors in accordance with Clause 19.1(W)). This paragraph does not apply to the Parent.
- (I) **ENFORCEMENT OF MATERIAL CONTRACTS:** It will ensure that all material rights under all Material Contracts are enforced in accordance with their terms.
- (J) **PERFORMANCE OF MATERIAL CONTRACTS:** It will perform its obligations under Material Contracts in all material respects in accordance with their terms. Defaults under the Transmission Agreement giving rise to charges of service credits under the Transmission Agreement of less than (Pounds)500,000 per annum are to be treated as not material.
- (K) **BORROWINGS:** It 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:
 - (i) amounts due under: (a) this Agreement; and (b) the Overdraft Facilities (as long as the amount outstanding does not exceed (Pounds)2,500,000);
 - (ii) amounts due under finance leases where the aggregate principal elements of obligations in respect of those leases does not exceed (Pounds)2,500,000 in aggregate;
 - (iii) guarantees of the Borrower's obligations under this Agreement;
 - (iv) amounts borrowed by the Borrower or a Guarantor (which is a wholly-owned member of the Borrower's Group) from a Guarantor (which is a wholly-owned member of the Borrower's Group) or from the Borrower;
 - (v) guarantees by the Borrower or a Guarantor (which is wholly-owned member of the Borrower's Group) of obligations (which are not prohibited by the terms of the Financing Documents) of a Guarantor (which is a wholly-owned member of the Borrower's Group) or of 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) 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;
- (ix) amounts due from the Borrower to CT Finance under the Inter-Company Loan Agreement; and
- (x) guarantees of other amounts not exceeding (Pounds)500,000 in aggregate at any one time.

This paragraph does not apply to the Parent, who may have Indebtedness for Borrowed Money, or issue guarantees, as it sees fit.

- (L) ACQUISITIONS: It will not acquire any business or make any investment in any company. This paragraph does not, however, prohibit any of the following:
 - (i) Acquisitions of businesses related to the Transmission Business to the extent that the aggregate purchase prices do not exceed an amount equal to the cumulative balance of Excess Cash Flow since the Completion Date less the aggregate amount of other acquisitions permitted by virtue of this sub-paragraph (i).
 - (ii) Acquisitions of businesses related to the Transmission Business to the extent that the cumulative aggregate of the purchase prices of these acquisitions over the life of the Revolving Facility does not exceed (Pounds)20,000,000.
 - (iii) The acquisition by the Borrower of CT Finance.

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 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 thereof 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.

(N) LOANS: It will not provide loans or other credit, other than:

- (i) normal trade credit;
- (ii) loans not exceeding (Pounds)500,000 in aggregate; and
- (iii) loans to the Borrower or a Guarantor (which is a wholly-owned member of the Borrower's Group) permitted by Clause 19.1(K).

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 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) spot foreign exchange contracts entered into in the ordinary course of business (other than for speculative purposes); and
- (ii) 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 (i) or (ii) it will provide details of that transaction to the Agent as soon as reasonably practicable. 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 Transmission Business. This business will be conducted in accordance with applicable law.
- (Q) [deleted]
- (R) INTELLECTUAL PROPERTY: It will maintain all intellectual property rights required for the purposes of the Transmission Business in all appropriate jurisdictions.
- (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: Its first accounting reference date is or will be 8 November, 1997. Its next accounting reference date will be 31 December, 1997. Thereafter it will retain 31 December as its accounting reference date and will make no change to the duration of any of its financial years.
- (V) SERVICE CONTRACT: It will use all reasonable endeavours to enter within thirty days of the Completion Date into a service contract with Alan Rees in a form reasonably satisfactory to the Agent.
- (W) SUBSIDIARIES: It will ensure that each of its Subsidiaries becomes a guarantor of amounts due under this Agreement. When a company needs to be a Guarantor for the purposes of this paragraph the Borrower agrees to ensure that:
 - (i) 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);
 - (ii) 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
 - (iii) 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 (ii) above are valid and binding on that Company and (in the case of the document referred to in sub-paragraph (ii) above) creates first ranking security (subject to Security permitted under Clause 19.1(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 (i), (ii) and (iii) 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 CT Finance or to 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.

The Parent agrees that, unless otherwise agreed by the Agent (acting on the instructions of an Instructing Group):

- (X) BORROWER AS A SUBSIDIARY: It will ensure that the Borrower remains its wholly-owned Subsidiary .
- (Y) FULLY PAID SHARES: It will ensure that all shares owned by it or by any member of the Borrower's Group in all its Subsidiaries 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. 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.

Each of the Borrower and the Parent agrees that, unless otherwise agreed by the Agent (acting on the instructions of an Instructing Group):

- (Z) 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):

- (AA) 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.
- (BB) CT FINANCE AS SUBSIDIARY: It will ensure that CT Finance remains its wholly-owned Subsidiary.
- (CC) 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.

19.2 DURATION OF COVENANTS

The obligations under this Clause and Clauses 17 and 18 will cease to have effect when the Revolving Facility has ceased to be available and there are no amounts outstanding under the Revolving Facility.

20. TERMINATION EVENTS

20.1 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 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. 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 in any document delivered by a Company under a Financing Document is untrue or misleading when that statement is made.
- (D) **CROSS DEFAULT:** Any Indebtedness for Borrowed Money of a Company other than under a Financing Document:
- (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 Company or with a view to the appointment of an administrator, receiver or trustee in bankruptcy in relation to a Company 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 Company 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 Company'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 Company 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 Company:
- (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 Company 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 Transaction Document.
- (K) CESSATION OF BUSINESS: The Borrower ceases or threatens to cease to carry on a material part of the Transmission Business, or any member of the Borrower's Group ceases or threatens to cease to carry on any other material business operated by the Borrower's Group (taken as a whole).
- (L) CHANGE OF CONTROL: Any event or circumstance described in Clause 13.5.1 of the Transmission Agreement occurs and subsists as a result of which the BBC is entitled to terminate the Transmission Agreement (in the agreed form and whether or not it exercises its rights to terminate) by virtue of Clause 13.5.1 of the Transmission Agreement. For the purposes of this paragraph (save where sub-paragraph (iii) applies) any amendment made to the 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 9.3(B).
 - (iii) If:
 - (a) the BBC is not entitled to terminate the Transmission Agreement by virtue of that event or circumstance because the Transmission Agreement or the Commitment Agreement (as defined in the Share Sale Agreement) has been amended from the agreed form 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.
- (M) 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 18.2 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 Completion Date after the acquisition of the Transmission Business.
- (N) LITIGATION: A Company is involved in litigation which is reasonably likely to have an unfavourable 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 the Transmission Agreement.
- (O) FAILURE OF PURPOSE: The Borrower cannot use the proceeds of the Revolving Facility for the purposes described in Clause 22.
- (P) ILLEGALITY OR TERMINATION OF THE TRANSMISSION AGREEMENT: The Transmission Agreement is terminated or ceases to be in full force and effect or it becomes illegal for the BBC to perform its obligations under the Transmission Agreement.

- (Q) **DEFAULT BY THE BBC:** The BBC is due to pay, but has not paid, amounts under the Transmission Agreement in an aggregate amount exceeding the default limit applying at that time. The "DEFAULT LIMIT" is initially (Pounds)4,000,000 outstanding any one time and will be adjusted in accordance with Schedule 2 of the Transmission Agreement. The Agent may rely on a certificate of the Borrower as to the prevailing default limit.
- (R) **FORCE MAJEURE:** Any event or circumstances constituting a "Force Majeure" (as defined in the Transmission Agreement) occurs. 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.
- (S) **BONDS:** The Bonds are redeemed or repurchased in whole or in part at any time prior to their final maturity for any reason. 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.

20.2 CONSEQUENCES OF A TERMINATION EVENT

If a Termination Event occurs and is continuing the Agent may by notice to the Borrower:

- (A) cancel the Revolving Facility; 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.

20.3 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 10.7 also applies.

20.4 CURRENCY INDEMNITY

This sub-clause applies where a payment due by a Company under or in connection with a Financing Document is made in a currency other than pounds. To the extent that the amount received, when converted into pounds, 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 pounds on the date of receipt, the rate of exchange prevailing on the first date on which that person could buy pounds will be used instead. The obligation in this sub-clause is a separate and independent obligation.

PART VII : MISCELLANEOUS

21. THE AGENT AND THE CO-ARRANGERS

21.1 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 24.3.

21.2 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.

21.3 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 2111 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 173 any information reasonably requested by a Lender.

21.4 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 Revolving Facility.

- (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) **OVERDRAFTS:** The Agent may sign any 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.

21.5 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.

21.6 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 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 21.13, 21.14 and 21.15, and as described in the Overdraft Bank Agreements.

21.7 RESPONSIBILITY OF THE LENDERS

Each Lender is responsible for its own decision to become involved in the Revolving Facility and its decision to take or not take action under the Revolving Facility. It should make its own credit appraisal of each Company and the terms of the Revolving Facility. Neither the Agent nor either of the Co-arrangers makes any representation that any information provided to a Lender before 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.

21.8 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 willful 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.

21.9 BUSINESS OF THE AGENT

Despite its role as agent of the Lenders the Agent may:

- (A) participate as a Lender in the Revolving Facility or as 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.

21.10 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 Available Revolving Facility 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.

21.11 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.

21.12 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.

21.13 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 11.2. 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.

21.14 HOLDING AS SECURITY TRUSTEE

The Agent agrees that it holds the benefit of:

- (A) Clause 21.13; and
 - (B) the Charges and all Security arising from the Charges,
- as trustee on behalf of:

- (i) the Lenders; and
- (ii) 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.

21.15 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.

21.16 THE CO-ARRANGERS

The Co-arrangers have no continuing role in connection with the Revolving Facility and are not liable in respect of any matter concerning the Revolving Facility. They are not the agents for any Lender.

22. EVIDENCE AND CERTIFICATES

22.1 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.

22.2 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.

23. NOTICES

23.1 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.

23.2 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.

23.3 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.

23.4 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.

24. ASSIGNMENT AND NOVATION

24.1 COMPANY

The rights of a Company under this Agreement are personal to it. Accordingly they are not capable of assignment.

24.2 ASSIGNMENT BY A LENDER

A Lender may assign in whole or in part its rights under this Agreement if (i) 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 and (ii) 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:

- (A) is to another Lender;
- (B) is to an affiliate or Subsidiary or Holding Company of the assignor;

- (C) occurs when there is an outstanding Termination Event; or
- (D) is part of the syndication process arranged by the Co-arrangers.

The principal amount to be assigned must equal or exceed the minimum assignment amount described in Clause 24.7 and following the assignment each Lender must satisfy the minimum hold requirement described in Clause 24.6. 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 24.3((C)). The restrictions on minimum assignment amounts and minimum hold requirements described in this sub-clause do not apply to assignments by a Lender to an affiliate, Subsidiary or Holding Company of that Lender (as long as they are not granted in contemplation of that affiliate, Subsidiary or Holding Company ceasing to be an affiliate, Subsidiary or Holding Company of that Lender). Any subsequent assignee of that affiliate, Subsidiary or Holding Company must satisfy the minimum hold requirements of Clause 24.6. The restriction on minimum assignment amounts does not apply to assignments by a Lender to another Lender.

24.3 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 principal amount to be novated must equal or exceed the minimum novation amount described in Clause 24.7 and following the novation each Lender must satisfy the minimum hold requirement described in Clause 24.6. The restrictions on minimum novation amounts and minimum hold requirements described in this paragraph (A) do not apply to novations by a Lender to an affiliate, Subsidiary or Holding Company of that Lender (as long as they are not granted in contemplation of that affiliate, Subsidiary or Holding Company ceasing to be an affiliate, Subsidiary or Holding Company of that Lender). Any subsequent novatee of that affiliate, Subsidiary or Holding Company must satisfy the minimum hold requirements of Clause 24.6. The restriction on minimum novation amounts does not apply to novations by a Lender to another Lender.
- (B) 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 Co-arrangers.

- (C) 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 Co-arrangers.
- (D) 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.
- (E) 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 Revolving Facility Commitment of the Existing Lender will be reduced accordingly and the New Lender will assume a Revolving Facility Commitment of the amount of the corresponding reduction.

24.4 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.

24.5 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 10 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 10 in the absence of that novation, assignment or change, the Borrower shall not be obliged to pay that excess.

24.6 MINIMUM HOLD REQUIREMENT

The minimum hold requirement described in this Clause is as follows. In respect of each Lender, that Lender's Revolving Facility Commitment or, if its Revolving Facility Commitment is zero, the amount of that Lender's participation in the Loan (the "ACTUAL PARTICIPATION") must be at least the required amount. For this purpose the required amount is determined as follows:

$$R = \frac{8,000,000}{64,000,000} \times \text{TAP}$$

where:

R = the required amount in pounds

TAP = the aggregate Actual Participations for all the Lenders

24.7 MINIMUM ASSIGNMENT AMOUNT AND MINIMUM NOVATION AMOUNT

Each of the minimum assignment amount and the minimum novation amount described in this Clause is determined as follows:

$$\text{MA} = \frac{R}{2}$$

where:

MA = the minimum assignment amount or, as the case may be, the minimum novation amount

R = the required amount, determined in accordance with Clause 24.6

24.8 NO SUB-PARTICIPATIONS

Each Lender agrees that it will not sub-participate its participation in the Loan. This prohibition does not apply to sub-participations granted to:-

- (A) an affiliate or Subsidiary or Holding Company of that Lender (as long as they are not granted in contemplation of that affiliate, Subsidiary or Holding Company ceasing to be an affiliate, Subsidiary or Holding Company of that Lender); or
- (B) another Lender.

25. WAIVERS, AMENDMENTS AND RELEASES OF SECURITY

25.1 WRITING REQUIRED

A waiver or amendment of a term of this Agreement will only be effective if it is in writing.

25.2 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 Revolving Facility.
- (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 Termination Date".
- (F) The definition of "Instructing Group".
- (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, 13 or 24.1.
- (J) Subject to Clause 253, the release of any Security constituted by the Charges.

Waivers or amendments affecting these matters require the consent of all Lenders.

25.3 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 Company as permitted by Clause 19.1(D).

25.4 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.

26. MISCELLANEOUS

26.1 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.

26.2 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.

27. LAW

This Agreement is to be governed by and construed in accordance with English law.

SCHEDULE 1:
LENDERS AND COMMITMENTSLENDER

REVOLVING FACILITY

COMMITMENT

(Pounds)

Credit Suisse First Boston

32,000,000

Morgan Guaranty Trust Company of New
New York

32,000,000

(Pounds)64,000,000

SCHEDULE 2:
COSTS RATE

1. DEFINITIONS

In this Schedule:

"COSTS PERIOD" means a period for which interest is being computed under this Agreement. If this period is longer than 3 months it will be divided by the Agent into successive Costs Periods of no longer than 3 months.

"DETERMINATION DAY" means the first day of a Costs Period.

"ELIGIBLE LIABILITIES" and "SPECIAL DEPOSITS" have the meanings given to them for Bank of England purposes.

2. CALCULATION OF THE COSTS RATE

On each Determination Day the Agent will calculate the Costs Rate for the Costs Period starting on that day as follows:

$$R = \frac{CL + D(L - B) + S(L - I)}{100 - (C + S)}$$

where:

- R is the Costs Rate, expressed as a rate per annum, for that Costs Period.
- C is the percentage of the Agent's Eligible Liabilities which the Agent is required to maintain as non-interest bearing cash deposits with the Bank of England.
- L is the percentage rate per annum at which sterling deposits are offered to the Agent by prime banks in the London inter-bank market at or about 11.00 a.m. on the Determination Day.
- D is the percentage of the Agent's Eligible Liabilities which the Agent is required to maintain as secured deposits with certain financial institutions. This percentage is to be treated as 5% unless the Agent reasonably determines that there is evidence that the percentage should have a different value.
- B is the lower of L and the best percentage rate per annum offered to the Agent in the London Discount Market for callable deposits in sterling for the Costs Period at or about 11.00 a.m. on the Determination Date.
- S is the percentage of the Agent's Eligible Liabilities which the Agent is required to maintain as Special Deposits with the Bank of England.
- I is the lower of L and the rate of interest, expressed as a percentage rate per annum, paid by the Bank of England on Special Deposits.

Percentages will be entered in the formula as absolute numbers. The result of the application of the formula will be rounded upwards to four decimal places. If the formula produces a negative additional percentage, the additional percentage will be taken as zero. The calculations made by the Agent will be conclusive and binding in the absence of obvious error.

3. CHANGE OF REQUIREMENTS

The Agent may amend or replace the formula if it ceases to reflect accurately the costs banks carrying on business in London would incur in making the Revolving Facility available to the Borrower. An amended or replacement formula will take effect in accordance with the terms of a notice given by the Agent to the Borrower.

SCHEDULE 3:
CONDITIONS PRECEDENT TO DRAWING ON THE COMPLETION 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 or the secretary 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 and the acquisition of the Transmission Business, 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. The copy must be certified by a director or the secretary 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 or the secretary of the Borrower to be genuine.
4. A copy of the Memorandum and Articles of Association of the Parent in the agreed form. This copy must be certified by a director or the secretary of the Parent 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 approving the Guarantee and the acquisition of the Borrower and authorising the signature and delivery of this Agreement and the Share Sale Agreement. The copy must be certified by a director or the secretary of the 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 11.
7. Evidence that the Parent has received (in a closing account with the Agent) not less than (Pounds)102,200,000, representing the net cash proceeds of an equity subscription made in or to the Parent by the Equity Consortium on the terms and conditions of the Shareholders Agreement.
8. A certificate of a director of the Borrower to the effect that Completion (as defined in the Share Sale Agreement) has occurred in accordance with the Share Sale Agreement and that the share transfers and certificates are held in escrow in accordance with Clause 5.2.1 of the Share Sale Agreement.
9. A letter in the agreed form from the Group's insurance brokers to the Agent confirming that the insurance arrangements required by the Transaction Documents are in place with respect to the Transmission Business and the Borrower's operations and assets.
10. Property Title Report and Certificates, and the Supplemental Certificate in respect thereof, from Linklaters & Paines on material properties addressed to the Agent, in the agreed form.
11. Evidence that the following documents have been signed in agreed form and copies delivered to the Agent prior to the making of the initial Advance:
 - (a) Share Sale Agreement;
 - (b) Shareholders' Agreement;

- (c) Fee Letters from Co-Arrangers and Agent, each counter-signed by the Borrower;
 - (d) Charges specified in sub-paragraphs (A) and (B) of the definition of "Charges" in Clause 1.1;
 - (e) Transmission Agreement;
 - (f) Transfer Scheme;
 - (g) NTL Site Sharing Agreement;
 - (h) Contracts for Services;
 - (i) Commitment Agreement (as defined in the Share Sale Agreement); and
 - (j) Subordinated Loan Agreement.
12. 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.
13. 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 or the secretary of the Borrower to be complete and up-to-date, as at the Completion Date.
14. Completed Land Registry cover 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.
15. Undertakings in the agreed form from Castle Tower Holding Corporation and TeleDiffusion de France International S.A. concerning continued ownership of their interest in the Parent.
16. The acknowledgement set out in Schedule 3 to the Charge specified in paragraph (A) of the definition of "Charges" in Clause 1.1, signed on behalf of the BBC.
17. Service contract relating to George Reese, in a form reasonably satisfactory to the Agent.

For the purposes of paragraphs 6, 12 and 13 it will be sufficient for the documents concerned to be held to the order of the Agent subject only to the release of the share certificates as described in Clause 5.2.1 of the Share Sale Agreement. This paragraph only applies, however, if the Agent receives evidence that at or before the time the Term Loan Advances are made the BBC will have received the portion of the Debt Repayment (as defined in the Share Sale Agreement) not provided by the Term Loan Advances.

(C) That Lender is a bank for the purposes of section 349(3) of the Income and Corporation Taxes Act 1988.

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
- - - - -

New Lender
- - - - -

[Name of Existing Lender]

[Name of New Lender]

By:

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 ADVANCES

To: [Name of Agent]

Attention: []

From: Castle Transmission International Ltd

Date: []

Dear Sirs,

(Pounds)64,000,000 REVOLVING LOAN FACILITY UNDER

LOAN AGREEMENT DATED 28 FEBRUARY, 1997

(AND AMENDED [], 1997)

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 of (Pounds)[] 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 16.1 of the Agreement (other than paragraphs (S), (T), (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: any Interest Period commencing on a date within three months of the First Amendment Date (or, if earlier, the completion of initial syndication of the Revolving Facility) must be for a period of one month only].

3. REPRESENTATIONS BY THE NEW GUARANTOR

The New Guarantor confirms in respect of itself that the representations in Clause 16.1(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 23.4 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:

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 and 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

SCHEDULE 11:
FORM OF OPINION OF SLAUGHTER AND MAY

Credit Suisse First Boston,
Five Cabot Square,
London E14 4QR.

28th February, 1997

for itself as Agent and for the Lenders
(as defined in the Facility Agreement referred to below)

Dear Sirs,

INTRODUCTION

- - - - -

1. This opinion as to English law is addressed to you in connection with:-

- (A) the "FACILITY AGREEMENT", being the (Pounds)162,500,000 term and revolving loan facilities agreement dated 28th February, 1997 and made between (1) Castle Transmission Services Ltd. (the "Borrower"), (2) Castle Transmission Services (Holdings) Ltd. (the "Parent"), (3) the banks and financial institutions listed in Schedule 1 of the Facility Agreement (the "Lenders"), (4) Credit Suisse First Boston as arranger, (5) J.P. Morgan Securities Ltd. as co-arranger and (6) Credit Suisse First Boston as agent;
- (B) the "DEBENTURE", being the debenture creating fixed and floating charges as security in respect of the Facility Agreement dated 28th February, 1997 and made between (1) the Borrower, (2) the Parent (as guarantor) and (3) Credit Suisse First Boston (as trustee for the Lenders); and
- (C) the "DEPOSIT CHARGE", being the deposit agreement and charge on cash deposits dated 28th February, 1997 and made between (1) Credit Suisse First Boston (as trustee for the Lenders) and (2) the Borrower.

2. We have acted as English legal advisers on your behalf in connection with the Facility Agreement, the Debenture and the Deposit Charge.

3. We have not made any investigation of, and do not express any opinion on, the law of any jurisdiction other than England.

4. Terms and expressions defined in the Facility Agreement have the same meanings when used in this opinion.

DOCUMENTS AND INVESTIGATIONS

- - - - -

5. For the purposes of this opinion, we have examined the following:

- (A) A signed copy of each of the Facility Agreement, the Debenture and the Deposit Charge.
- (B) 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.
- (C) 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
- (D) 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 28th February, 1997.
- (E) 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 28th February, 1997.
- (F) The entries shown on the microfiche (obtained by us from Companies House, London on 27th February, 1997) of the file of each of the Borrower and the Parent maintained at Companies House (the "MICROFICHE").
- (G) The certificates (the "SHARE CERTIFICATES") in respect of the shares (the "SHARES") in the Borrower.

ASSUMPTIONS

6. We have assumed the following:-

- (A) (i) That the information disclosed by the Microfiche and by enquiries made by us on 27th February, 1997 of the Central Registry of Winding-up Petitions is accurate and complete, (ii) that the information has not since been altered or added to and (iii) that the Microfiche and such enquiries did not fail to disclose any information relevant for the purposes of this opinion.
- (B) That the board minutes examined by us truly record the proceedings described therein of a duly convened, constituted and conducted meeting of the board of directors of each of the Borrower and the Parent and that the resolutions passed and authorisations given thereat have not subsequently been amended, revoked or superseded.
- (C) That the statements made in each of the certificates of the Borrower's company secretary and the Parent's company secretary referred to in paragraph 5 above are accurate and complete.
- (D) That neither the Borrower nor the Parent has passed any voluntary winding up resolution, that no petition has been presented or order made by a court for the winding up, dissolution or administration of the Borrower or the Parent and that no receiver, administrative receiver, trustee, administrator or similar officer has been appointed in relation to the Borrower or the Parent or any of their assets or revenues.

- (E) That each of the parties (other than the Borrower and the Parent) to the Facility Agreement, the Debenture and the Deposit Charge has the capacity, power and authority to enter and perform those agreements.
- (F) That all documents submitted to us as copies conform to the originals.
- (G) That all signatures are genuine.
- (H) That each of the Facility Agreement, the Debenture and the Deposit Charge has been duly executed and delivered by each of the parties thereto.
- (I) 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 Facility Agreement, the Debenture and the Deposit Charge 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.
- (J) That the Shares have been duly transferred by the BBC to the Parent and that the BBC was immediately before such transfer, and the Parent is immediately after such transfer, the absolute legal and beneficial owner of the Shares.
- (K) That the Share Certificates are the only certificates in respect of the Shares and that the Shares referred to in those Share Certificates represent the whole of the issued share capital of the Borrower.
- (L) That the Debenture and Deposit Charge will be delivered for registration with the Registrar of Companies in accordance with Chapter 1 of Part XII of the Companies Act as recommended in paragraph 8(A) below, and that the Debenture will be delivered for registration with H.M. Land Registry as recommended in paragraph 8(B) below.
- (M) That the execution and delivery of the Facility Agreement and the Debenture by the Parent are (i) in the furtherance of the objects authorised by the Parent's memorandum of association, and (ii) to the commercial advantage and in the interests of the Parent.

OPINION

- - - - -

- 7. Based on and subject to the foregoing, and subject to the reservations mentioned below and to any matters not disclosed to us, we are of the opinion that:-
 - (A) Each of the Borrower and the Parent is a limited liability company incorporated under English law and has the necessary corporate power to enter into and perform its obligations under the Facility Agreement, the Debenture and (as regards the Borrower) the Deposit Charge.
 - (B) All necessary corporate action required to authorise the execution and delivery by the Borrower and the Parent of the Facility Agreement, the

Debenture and (as regards the Borrower) the Deposit Charge has been taken.

- (C) The Facility Agreement, the Debenture and the Deposit Charge create valid and binding obligations of the Borrower and (as regards the Facility Agreement and the Debenture) the Parent under English law.
- (D) The following security rights have, among others, been created:-
- (i) a legal mortgage over each of the real properties described in Schedule 1 of the Debenture;
 - (ii) an equitable fixed charge over the other real property of the Borrower and the Parent;
 - (iii) an equitable fixed charge over the Shares;
 - (iv) an equitable fixed charge over the Borrower's rights to payment under or in connection with the Transmission Agreement;
 - (v) an equitable fixed charge over the sums standing from time to time to the credit of the Account (as defined in the Deposit Charge); and
 - (vi) a floating charge over the undertaking, property and assets of the Borrower and the Parent.
- (E) It is not necessary, in order to ensure the validity of the Facility Agreement, the Debenture or the Deposit Charge or the effectiveness of 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 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 is registered under the Companies Act 1985. 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).
- (B) Prior to the registration at HM Land Registry of a charge by way of legal mortgage created over property registered at HM 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 HM 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.

- (C) Clause 5 of the Deposit Charge purports, inter alia, to create a charge over the Account (as defined in the Deposit Charge). In *Re Charge Card Services Limited* [1986] 3 All ER 289, (affirmed (obiter) by the Court of Appeal in *BCCI No. 8 (Morris v. Agrichemicals Ltd.)* [1996] 2 All ER 121), a first instance decision of the English courts, it was held that a charge in favour of a debtor of his indebtedness to the chargor is conceptually impossible. This decision is relevant in the context of the purported charge over the Account since the obligations in respect of the Account are owed to the Borrower by the Agent, the person in whose favour the charge is purported to be created.

We have also been advised by Leading Counsel that there is a risk that the English courts may find that provisions such as Clause 3(A) of the Deposit Charge (which makes repayment of the sums standing to the credit of the Account conditional on the satisfaction by the Borrower of its obligations under the Facility Agreement) conflict with English public policy relating to the winding up of insolvent companies and accordingly that such provisions may be held to be invalid against a liquidator.

However, based on views expressed to us by Leading Counsel, we would not expect an English court in the same proceedings to hold against the Agent on both the above issues (the logical course being to find in favour of the Agent on at least one of them), although there is no authority to this effect.

- (D) The security interest in the Shares constituted by the 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 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.

- (E) 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.
- (F) We express no opinion as to whether any of the charges created by the Debenture and the Deposit Charge 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.
- (G) We express no opinion as to the priority of the security interests under or referred to in the Debenture or the Deposit Charge, whether as regards other security that may already exist at the time of the creation of the relevant security interest under the Debenture or the Deposit Charge 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.
- (H) We express no opinion as to the title of the Borrower or the Parent to the assets to be subject to the security created by the Debenture and the Deposit Charge. We would, however, refer you to the Report prepared by us dated 23rd January, 1997 in respect of the Certificate of Title issued by Linklaters & Paines, solicitors for the BBC, dated 27th September 1996 (as amended by the Supplemental Certificate dated 22nd January, 1997).
- (I) We express no opinion as to the efficacy of the 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 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.

- (J) Rights and obligations under the Facility Agreement, the Debenture and the Deposit Charge 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.
- (K) In so far as any obligation under the Facility Agreement, the Debenture or the Deposit Charge 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.
- (L) 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.
- (M) We express no opinion as to the validity or binding effect of provisions set out in Clause 27 of the Debenture and Clause 17 of the Deposit Charge relating to invalidity and severability. An English court would not give effect to such provisions if they would involve the courts making a new contract or would not accord with public policy.
- (N) We express no opinion as to the validity or the binding effect of the obligations as set out in Clause 12.1 of the Facility Agreement and Clause 25 of the Debenture 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).
- (O) There could be circumstances in which an English court would not treat as conclusive those certificates and determinations which the Facility Agreement and the Deposit Charge 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.
- (P) 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 Facility Agreement, the Debenture and the Deposit Charge. 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,

3. SECURITY

By virtue of the execution of this Agreement the amounts due by the Borrower under the Overdraft Facilities become secured under the Charges. Only a maximum of (Pounds)[]/1/ 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 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 its capacity as a Lender.

/1/ The aggregate maximum amount included in this space for all Overdraft Banks must not exceed (Pounds)2,500,000. See Clause 19.1(K)(i).

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.
- (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 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 Revolving Facility or as 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 Borrower. The Overdraft Bank is not liable for losses and expenses arising from the gross negligence or wilful 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 Borrower agrees to pay to the Agent on demand each amount due and payable by the 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 Borrower to the Overdraft Bank. A payment of an amount under this sub-clause will, however, satisfy the 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; and
- (ii) 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:

Castle Transmission International Ltd

By:

[Name of Agent]

By:

CROWN CASTLE INTERNATIONAL CORP.
1995 STOCK OPTION PLAN
(FOURTH RESTATEMENT)

CROWN CASTLE INTERNATIONAL CORP.
1995 STOCK OPTION PLAN (FOURTH RESTATEMENT)

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1995 STOCK OPTION PLAN (FOURTH RESTATEMENT)

1. PURPOSE. The purpose of the CROWN CASTLE INTERNATIONAL CORP. 1995 STOCK OPTION PLAN ("Plan") shall be to attract, retain and motivate employees, consultants and directors ("Participants") of Crown Castle International Corp., a Delaware corporation and previously Castle Tower Holding Corp. ("Company"), including its subsidiaries and affiliates, by way of granting non-qualified stock options ("NSO") taxable pursuant to Section 83 of the Internal Revenue Code of 1986, as amended ("Code") and incentive stock options ("ISO") pursuant to Section 422 of the Code (collectively "Options"). An Option shall be a NSO unless the otherwise designated an ISO. A NSO may be granted to Participants and an ISO only may be granted to an employee of the Company, including its subsidiaries and affiliates, as permitted by Section 422 of the Code.

2. ADMINISTRATION OF THE PLAN. The Plan shall be administered by the Board of Directors of the Company ("Board"). However, if the Company becomes a registrant under Section 12 of the Securities Exchange Act of 1934, as amended ("1934 Act") and so long as required for exemption pursuant to Rule 16b-3 ("Rule 16b-3") promulgated by the Securities Exchange Commission pursuant to Section 16 of the 1934 Act, the Plan shall be administered by the Management Development and Compensation Committee ("Committee") appointed by the Board and consisting of not less than two members from the Board. The members of the Committee shall serve at the pleasure of the Board and shall be ineligible to participate under the Plan. No Director may become a member of the Committee who, during the one year prior to appointment to the Committee, was granted or awarded equity securities pursuant to the Plan or any other plan of the Company entitling Participants therein to acquire stock, stock options or stock appreciation rights. The Board or Committee, as applicable, administering the Plan is hereinafter referred to as the "Administrator". The Administrator shall have the power, where consistent with the general purpose and intent of the Plan, to (i) modify the requirements of the Plan to conform with the law or to meet special circumstances not anticipated or covered in the Plan, (ii) establish policies, and (iii) adopt rules and regulations and prescribe forms for carrying out the purposes and provisions of the Plan, including the form of any stock option agreement ("Stock Option Agreement"). Unless otherwise provided in the Plan, the Administrator shall have the authority to interpret and construe the Plan, and determine all questions arising under the Plan and any agreement made pursuant to the Plan. Any interpretation, decision or determination made by the Administrator shall be final, binding and conclusive. A majority of the Administrator shall constitute a quorum, and an act of the majority of the members present at any meeting at which a quorum is present shall be the act of the Administrator. The Board shall make all decisions with respect to the termination, suspension or discontinuance of the Plan.

3. SHARES SUBJECT TO THE PLAN. Shares of stock ("Stock") covered by Options shall consist of Three Million Six Hundred Thousand (3,600,000) shares of the voting Class B common stock of the Company ("Class B Stock") (18,000,000 shares of common stock taking into account the reclassification of Class B Common Stock as common stock upon the initial public offering of stock on the Company and a five to one (5 to 1) stock split) reduced by any substitute options granted by the Company outside of the Plan to individuals with options for stock of Castle Transmission Services (Holdings) Ltd. ("CTSH") converted to options for Stock including options granted pursuant to the Unapproved Share Option Scheme, All Employee Option Scheme and Rules of the Bonus Share Plan adopted by CTSH on January 23, 1998. Either authorized and unissued shares or treasury shares may be delivered pursuant to the Plan. If any Option for shares of Stock granted to a Participant lapses, or is otherwise terminated, the Administrator may grant Options for such shares of Stock to other Participants.

4. PARTICIPATION IN THE PLAN. The Administrator shall determine from time to time those Participants who are to be granted Options and the number of shares of Stock covered thereby provided that all Participants shall be employees, consultants or directors of the Company including a subsidiary or affiliate.

5. TERMS OF OPTIONS. Options shall be granted by the Administrator on the following terms and conditions described below and any other terms and conditions not inconsistent with such terms and conditions including, without limitation, a requirement that the Stock is subject to the restrictions and terms of a stockholder agreement. Except as specifically provided in Section 7 hereof, with regard to the death of a Participant, no option shall be exercisable more than ten (10) years after the date of grant (five years after the date of grant as to an ISO granted to a 10% shareholder). Subject to such limitation, the Administrator shall have the discretion to fix the period (the "Option Period") during which any Option may be exercised. Options shall be exercisable only by the Participant while he or she is an employee, director or consultant of or to the Company (including a subsidiary or affiliates) (an ISO is limited to employee status) except that (A) (i) any such Option granted and which is otherwise exercisable, may be exercised by the personal representative of a deceased Participant within 12 months after the death of such Participant and (ii) if a Participant terminates his employment with the Company, such Participant may exercise any Option which is otherwise exercisable at any time within three (3) months of such date of termination (within 12 months if termination is the result of disability within the meaning of Section 22(e)(3) of the Code) or (B) the Stock Option Agreement applicable to an NSO specifically states that the option is otherwise exercisable. If a Participant should die during the applicable three-month period following the date of such participant's termination, the rights of the personal representative of such deceased Participant as such relate to any Options granted to such deceased Participant shall be governed in accordance with clause (i) of the immediately preceding sentence. Termination of employment means the Participant is no longer an employee, director or consultant with or to the Company (including any subsidiary or affiliate of the Company).

6. OPTION PRICE. The option price ("Option Price") for shares of Stock subject to Stock Options shall be determined by the Administrator and may be less than, equal to, or greater than the fair market value of the Stock, but in no event shall such Option Price be less than the par value of the Stock or less than the fair market value at the grant date as to an ISO (110% of fair market value as to an ISO granted to a 10% Shareholder).

7. ACCELERATION OF OTHERWISE UNEXERCISABLE OPTIONS ON TERMINATION OF EMPLOYMENT OR DEATH. The Administrator, in its sole discretion, may permit (i) a Participant who terminates employment with the Company or (ii) the personal representative of a deceased Participant, to exercise and purchase (within three (3) months of such date of termination of employment or 12 months in the case of a deceased Participant) all or any part of the shares subject to Option on the date of the Participant's death or termination, notwithstanding that all installments, if any, with respect to such Option, had not accrued or vested on such date.

8. NUMBER OF OPTIONS GRANTED. Participants may be granted more than one Option. In making any such determination, the Administrator shall obtain the advice and recommendation of the officers of the Company which have supervisory authority over such Participants. The granting of a Option under the Plan shall not affect any outstanding Option previously granted to a Participant under the Plan.

9. NOTICE TO EXERCISE OPTIONS. Upon exercise of an Option, a Participant shall give written notice to the Secretary of the Company, or other officer designated by the Administrator, at the Company's main office which is currently in Houston, Texas.

10. PAYMENT FOR STOCK. Payment for shares of Stock purchased under the Plan shall be made in full and in cash or check made payable to the Company. Payment for shares of Stock purchased under this Plan may also be made in Stock or a combination of cash and Stock subject to any terms, restrictions or conditions contained in the Stock Option Agreement. In the event that Stock is utilized in consideration for the purchase of Stock upon the exercise of an Option, then such Stock shall be valued at the "fair market value" as defined in Section 14 of the Plan. Further, an Option may also be exercised, in whole or part, on a cashless basis for Stock equal to the product of (i) the excess of the fair market value of a share of Stock on the exercise date over the Option Price per share of Stock (ii) multiplied by the number of shares of Stock subject to the exercised Option and divided by the Option Price per share of Stock. For all purposes of effecting the exercise of an Option, the date on which the Participant gives the notice of exercise to the Company will be the date he becomes bound contractually to take and pay for the shares of Stock underlying the Option.

11. GRANTS OF OPTIONS AND STOCK OPTION AGREEMENT. Each Option granted under this Plan shall be evidenced by the minutes of a meeting of the Administrator or by the written consent of the Administrator, and by a written Stock Option Agreement effective on the date of grant and executed by the Company and the Participant. Each Option granted hereunder shall contain such terms, restrictions and conditions as the Administrator may determine, which terms, restrictions and conditions may or may not be the same in each case.

12. USE OF PROCEEDS. The proceeds received by the Company from the sale of Stock pursuant to the exercise of Options granted under the Plan shall be added to the Company's general funds and used for general corporate purposes.

13. NON-TRANSFERABILITY OF OPTIONS. Except as otherwise herein provided, any Option granted shall not be transferable otherwise than by will or the laws of descent and distribution or pursuant to a qualified domestic relations order as defined by the Code, or Title I of the Employee Retirement Income Security Act of 1974, as amended, or the rules thereunder. The Option may be exercised, during the lifetime of the Participant, only by the Participant. More particularly (but without limiting the generality of the foregoing), the Option may not be assigned, transferred (except as provided above), pledged or hypothecated in any way, shall not be assignable by operation of law and shall not be subject to execution, attachment or similar process. Any attempted assignment, transfer, pledge, hypothecation or other disposition of the Option contrary to the provisions hereof shall be null and void and without effect.

14. DETERMINATION OF FAIR MARKET VALUE. If shares of Stock are listed on a national exchange in the United States, the fair market value of a share of Stock shall be the closing quotation on such national exchange on such date. If shares of Stock are not listed on a national exchange in the United States, the fair market value of a share of Stock shall be the mean between the closing bid and ask quotation in the over-the-counter market for the shares for such date. If shares of Stock are not traded on a day, the fair market value of a share of Stock shall be the average of the fair market value of a share of Stock immediately before and after such date. If the Stock is not traded, the fair market value of Stock shall be determined by the Administrator as of the granting date, exercise date or other relevant date.

15. ADJUSTMENTS UPON CHANGES IN CAPITALIZATION. The aggregate number of shares of Stock under Options granted under the Plan, the Option Price and the total number of shares of Stock which may be purchased by a Participant on exercise of an Option shall be

appropriately adjusted by the Administrator to reflect any recapitalization, stock split, stock dividend or similar transaction involving the Stock or the Company.

16. AMENDMENT AND TERMINATION OF THE PLAN. The Plan shall terminate on July 31, 2005, but prior thereto may be altered, changed, modified, amended or terminated by written amendment approved by the Board including, without limitation, any amendment necessary for the grant of an ISO. However, that no action of the Board may, without the approval of the shareholders, materially increase the benefits accruing to Participants under the Plan, increase the aggregate number of shares of Stock which may be purchased under Options granted under the Plan; withdraw the administration of the Plan from the Committee (if applicable); permit a Director to be a member of the Committee (if applicable), if he has participated for the year preceding his appointment in the Plan or any similar plan; permit any person while a member of the Committee (if applicable) to be eligible to receive an Option under the Plan; amend or alter the Option Price; or amend the Plan in any manner which would impair the applicability of Rule 16b-3 to the Plan. No amendment, modification or termination of the Plan shall in any manner adversely affect any Option theretofore granted under the Plan without the consent of the affected Participant.

17. EFFECTIVE DATE. The Plan shall become effective upon approval by the holders of a majority of the voting stock of the Company present, or represented, and entitled to vote at a meeting called for such purpose.

18. SECURITIES LAW REQUIREMENTS. The Company shall have no liability to issue any Stock hereunder unless the issuance of such shares would comply with any applicable federal or state securities laws or any other applicable law or regulations thereunder.

19. ADDITIONAL DOCUMENTS ON DEATH OF PARTICIPANT. No transfer of an Option by the Participant by will or the laws of descent and distribution shall be effective to bind the Company unless the Company shall have been furnished with written notice and an probated copy of the will and/or such other evidence as the Administrator may deem necessary to establish the validity of the transfer and the acceptance of the successor to the Option of the terms and conditions of such Option.

20. CHANGES IN DUTIES. So long as a Participant shall be an employee, director or consultant of the Company including a subsidiary or affiliate, any Option granted to the Participant shall not be affected by any change of duties or position.

21. EMPLOYMENT. Nothing in the Plan or in any Stock Option Agreement which relates to the Plan shall confer upon any Participant any right to continue in the employ of the Company or any of its subsidiaries or affiliates, or interfere in any way with the right of the Company, including its affiliates and subsidiaries, to terminate his employment. Upon termination of employment, the Stock Option Agreement may provide for the termination of the unvested portion of such Option or subject the Option to certain purchase or redemption rights.

22. STOCKHOLDER RIGHTS. No Participant shall have a right as a stockholder with respect to any shares of Stock subject to an Option prior to the purchase of such shares of Stock by exercise of the Option.

23. Payment of Withholding Taxes. Upon the exercise of any Option as provided herein, no Stock shall be issued to any Participant, until the Company receives full payment for the Stock purchased, which shall include any required state and federal withholding taxes or any similar or substitute taxes in England or elsewhere.

24. ASSUMPTION OF OUTSTANDING OPTIONS. A Stock Option Agreement may provide that any successor to the Company, including an affiliate or subsidiary, succeeding to, or assigned the business of, the Company, including an affiliate or subsidiary as the result of or in connection with a corporate merger, consolidation, combination, reorganization, liquidation or other corporate transaction shall assume any Options outstanding under the Plan or issue new Options in place of outstanding Options under the Plan with such assumption to be made on a fair and equivalent basis.

25. SEVERABILITY. If any provision of the Plan or a Stock Option Agreement, or the application of such provision to any person or circumstance, shall be held invalid, the remainder to the Plan or a Stock Option Agreement or the application of such provision to person or circumstances other than those to which it is held invalid, shall not be affected thereby and shall remain enforceable.

26. AFFILIATE. A subsidiary or affiliate of the Company means any corporation or entity (other than the Company) in an unbroken chain of corporations or entities beginning or ending with the Company, as applicable, if, at the time of such determination, each of the corporations or entities other than the last corporation or entity (including the Company, if applicable) in the unbroken chain owns stock or other equity interest possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations or entities in such chain.

Dated 28th February 1997

(1) THE BRITISH BROADCASTING CORPORATION

and

(2) CASTLE TOWER HOLDING CORPORATION

and

(3) TELEDIFFUSION DE FRANCE INTERNATIONAL SA

and

(4) TELEDIFFUSION DE FRANCE SA

COMMITMENT AGREEMENT

This Agreement is made the 28th day of February 1997 between

- (1) The British Broadcasting Corporation, a corporation incorporated under Royal Charter, whose principal office is at Broadcasting House, Portland Place, London W1A 1AA ("the BBC"); and
- (2) Telediffusion de France International SA, a Societe Anonyme incorporated in France with its principal place of business at 10 rue d'Oradour sur Glane, 75015, Paris, France ("TdFI");
- (3) Telediffusion de France SA, a Societe Anonyme incorporated in France with its principal place of business at 10 rue d'Oradour sur Glane, 75015, Paris, France ("TdF"); and
- (4) Castle Tower Holding Corporation, a company incorporated in the United States of America with its principal place of business at 510 Bering Drive, Suite 310, Houston, Texas, 77057, United States of America ("CTC")

Whereas

In connection with the proposed acquisition by Castle Transmission Services (Holdings) Limited (Company Registration No. 3242381) ("Newco") of Castle Transmission Services Limited ("CTS"), and in consideration, inter alia, for entry by the BBC into the Share Sale Agreement CTC, TdFI and TdF have agreed to enter into the arrangements described below under which CTC and TdFI undertake to maintain and not to dispose of their respective interests in the Share capital of CTS and CTC and TdF undertake to provide services to CTS and the BBC, on the terms described below.

1 INTERPRETATION

1.1 IN THIS AGREEMENT:

"Associate" means in relation to a person, a subsidiary or holding company (as those terms are defined by Section 736 of the Companies Act 1985) of that person or a subsidiary of that person's holding company;

"Completion" means completion of the Share Sale Agreement;

"dispose" means, in relation to a Share, to transfer, sell, assign, mortgage, pledge or otherwise encumber that Share or allow any right to arise under which any person other than the holder thereof may require a transfer, sale, assignment, mortgage, pledge or other encumbrance of that Share (including after the date of this Agreement) other than a mortgage, pledge, encumbrance or right;

- (a) for purposes of financing Newco's obligations pursuant to the Share Sale Agreement;
- (b) to which the BBC has consented, such consent not to be unreasonably withheld, having regard to the reasonable interests of the BBC, TdFI and CTC, and each Relevant Company and those of Her Majesty's Government, or delayed.

PROVIDED THAT the entry into, and any subscription of any Shares pursuant to, the Shareholders Agreement dated 23 January 1997 between Castle Tower Holding Corporation and its consortium members for purposes of financing Newco's obligations pursuant to the Share Sale Agreement shall not comprise a disposal.

and "disposal" shall be construed accordingly;

"Interest" means, in relation to a Share, any legal or beneficial interest in that Share or any right or power (whether conditional or unconditional and whether legally enforceable or otherwise) to exercise control (directly or indirectly) over the disposal of that Share or over the manner in which any right to vote in a general meeting attached to that Share is exercised and "interested" shall be constituted accordingly;

"Indirect Interest" means, where a company ("A") has an interest (directly or through one or more intermediate companies) in the Relevant Shares of a company ("B") which, in turn, has an interest in the Share of another company ("C") (in which A is not interested), B's percentage interest in the Shares of C multiplied by such percentages as represent A's percentage interest in the Relevant Shares of B and each relevant percentage interest in the Relevant Shares of any intermediate company in which A has an Indirect Interest.

"Preference Shares" means any preference shares of a company not comprising shares in its relevant share capital (as that expression is defined in Section 198(2) of the Companies Act 1985) and includes any rights to receive any such shares allotted (whether or not subject to conditions).

"Relevant Company" means CTS or any holding company (as that term is defined by Section 736 of the Companies Act 1985) of CTS;

"Relevant Date" means the third anniversary of Completion;

"Relevant Shares" means shares of a company in its relevant share capital (as that expression is defined in Section 198(2) of the Companies Act of 1985) and includes any rights to receive any such shares allotted (whether or not subject to conditions);

"Shares" includes Relevant Shares and Preference Shares; and

"Share Sale Agreement" means the Agreement dated 23 January 1997 between Newco and the BBC relating to the acquisition by Newco of the issued Share capital of CTB.

1.2 SUBORDINATE LEGISLATION

References to a statutory provision include any subordinate legislation made from time to time under that provision.

1.3 INTERPRETATION ACT 1978

The Interpretation Act 1978 shall apply to this Agreement in the same way as it applies to an enactment.

1.4 MODIFICATION ETC. OF STATUTES

References to a statutory provision include that provision as from time to time modified or re-enacted.

1.5 COMPANIES ACT 1985

The words company, body corporate and subsidiary, holding company, fellow subsidiary and employees' share scheme shall have the same meanings in this Agreement as in the Companies Act 1985.

In this Agreement the term "company" shall include "body corporate". In this Agreement, any percentage interest in any Shares, or in any class of Shares, shall be determined according to the percentage which the aggregate nominal value of the Shares, or the relevant class of Shares, in which the interest is held, represents to the aggregate nominal value of all of the Shares, or all of the Shares of the relevant class.

1.6 RECITALS, CLAUSES ETC.

References to this Agreement include its Schedules and references to Recitals, Clauses, sub-Clauses and Schedules are to Recitals, Clauses and sub-Clauses of, and Schedules to, this Agreement.

1.7 HEADINGS

Headings shall be ignored in construing this Agreement.

1.8 WINDING-UP

References to the winding-up of a person include the amalgamation, reconstruction, reorganization, administration, dissolution, liquidation, merger or consolidation of such person and any equivalent or analogous procedure under the law of any jurisdiction in which that person is incorporated, domiciled or resident or carries on business or has assets.

2 CONDITIONS

2.1 CONDITIONS PRECEDENT

This obligations of the parties under this Agreement are conditional only on Completion.

3 RESTRICTIONS

3.1 Each of CTC and TdFI severally agrees with the BBC (for itself and all successors to it) that save as provided below:*

3.1.1 during the period from the date of this Agreement until the Relevant Date it will not dispose of any Shares of Newco;

3.1.2 CTC and TdFI will (insofar as it lies within the power or ability of each of them) until the Relevant Date maintain

(i) an aggregate percentage indirect interest in the Relevant Shares of CTS; and

(ii) an aggregate percentage indirect interest in the Shares of CTS

which (together with any direct interest held in CTS) in each case represents no less than 30 percent;

3.1.3 CTC and TdFI will (insofar as it lies within the power or ability of each of them) until the Relevant Date maintain

(i) an aggregate percentage interest in the Relevant Shares of Newco; and

(ii) an aggregate percentage interest in the Share of Newco

which in each case represents in aggregate no less than 30 per cent;

3.1.4 CTC will (insofar as it lies within the power or ability) during the period of two years following the Relevant Date maintain

(i) a percentage indirect interest in the Relevant Shares of CTS; and

(ii) a percentage indirect interest in the Shares of CTS

which (together with any direct interest held in CTS) in each case represents no less than 17.1%;

- 3.1.5 CTC will (insofar as it lies within its power or ability) during the period of two years following the Relevant Date maintain
- (i) a percentage interest in the Relevant Shares of Newco; and
 - (ii) a percentage interest in the Shares of Newco
- which in each case represents no less than 17.1%;
- 3.1.6 TdFI will (insofar as it lies within its power or ability) during the period of two years following the Relevant Date maintain
- (i) a percentage indirect interest Relevant Shares of CTS; and
 - (ii) a percentage indirect Interest Shares of CTS
- which (together with any direct interest held in CTS) in each case represents no less than 10.5%;
- 3.1.7 TdFI will (insofar as it lies within its power or ability) during the period of two years following the Relevant Date maintain
- (i) a percentage interest in the Relevant Shares of Newco; and
 - (ii) a percentage interest in the Shares of Newco
- which in each case represents no less than 10.5%;
- 3.2 Each of CTC and TdFI agrees to exercise all such rights as each of them have in connection with either of their holdings of Shares in any Relevant Company, or pursuant to any other arrangement with any Relevant Company, to ensure that they are able to comply with their undertakings in this Clause 3.

3.3 The restrictions contained in Clause 3.1 shall not apply:

- (i) to any sale, transfer, pledge or other disposal of any Shares of a Relevant Company or any interest therein which is notified in advance to the BBC in writing and to which the BBC, in any such case, gives its prior consent in writing;
- (ii) to the transfer of any title to or interest in Shares of any Relevant Company to the transferor's ultimate holding company or any of its subsidiaries or subsidiary undertakings or to any subsidiary or subsidiary undertaking of its ultimate holding company

PROVIDED THAT

- (a) any such transferee shall first agree with the BBC to be bound by the terms of this Agreement by the execution of a deed of adherence in a form acceptable to the BBC and shall provide an opinion of legal counsel to the transferee reasonably acceptable to the BBC (and at the expense of the transferee) confirming that the form of agreement to be entered into by the transferee has been duly authorised by the transferee and, upon execution thereof, will be valid, binding and enforceable against the transferee in accordance with its terms; and
 - (b) in the event that any such transferee ceases to be such an ultimate holding company or a subsidiary or subsidiary undertaking of such a person or of such an ultimate holding company, any such interest in any relevant Shares will first be transferred to the relevant party to this Agreement and held subject to the restrictions of this Agreement; or
- (iii) to any sale, transfer or other disposal of any Shares of a Relevant Company pursuant to an employees' share scheme.

3.4 The restrictions in this Clause 3 shall terminate on the fifth anniversary of Completion. Termination shall be without prejudice to any accrued rights or obligations of either party arising from any prior breach of this Agreement.

4 WARRANTIES AND UNDERTAKINGS

4.1 Each of CTC and TdFI confirms that it has full corporate power and authority to undertake the obligations set out in this Agreement and that the entry into and execution of this Agreement has been duly authorised.

4.2 Each of TdFI and CTC confirms as regards its respective interests that it will immediately following Completion be directly or indirectly interested in no less than such numbers of Relevant Shares and Preference Shares in such Relevant Companies as is set out against its name in Schedule 1.

4.3 CTC covenants with the BBC (for itself and all successors to it) that it will enter into with CTC an Agreement for Services in the form of the document set out in Schedule 2 and will perform its obligations thereunder.

4.4 TdF covenants with the BBC (for itself and all successors to it) that it will enter into an Agreement with CTS for Services in the form of the document set out in Schedule 2 and will perform its obligations thereunder.

5 RELEASE AND WAIVER

5.1 RELEASE ETC.

Any liability to the BBC under this Agreement may in whole or in part be released, compounded or compromised or time or indulgence given by BBC in its absolute discretion as regards any of CTC, TdF or TdFI under such liability without in any way prejudicing or affecting its rights against the other under the same or a like liability, whether joint and several or otherwise.

5.2 WAIVER

No waiver of the BBC to exercise, and no delay by it in exercising, any right, power or remedy in connection with this Agreement (each a Right) will operate as a waiver thereof, nor will any single or partial exercise of any Right preclude any other or further exercise of such Right or the exercise of any other Right.

6 WHOLE AGREEMENT, VARIATION, ASSIGNMENT

6.1 WHOLE AGREEMENT

This Agreement supersedes any previous written or oral agreement between the parties in relation to the matters dealt with in this Agreement and contains the whole agreement between the parties relating to the subject matter of this Agreement at the date hereof to the exclusion of any terms implied by law which may be excluded by contract.

6.2 VARIATION

No variation of this Agreement shall be effective unless in writing and signed by or on behalf of each of the parties.

6.3 ASSIGNMENT

This Agreement is personal to the parties and the rights and obligations of the parties may not be assigned or otherwise transferred.

7 FURTHER ASSURANCE

At any time after the date of this Agreement CTC and TdFI shall, and shall use all reasonable endeavours to procure that any necessary third party shall, execute such documents and do such acts and things as the BBC may reasonably require for the purpose of giving to the BBC the full benefit of all the provisions of this Agreement.

8 INVALIDITY

If any provision in this Agreement shall be held to be illegal, invalid or unenforceable, in whole or in part,

Under any enactment or rule of law, such provision or part shall to that extent be deemed not to form part of this Agreement but

the legality, validity and enforceability of the remainder of this Agreement shall not be affected.

9 COUNTERPARTS

This Agreement may be entered into in any number of counterparts, all of which taken together shall constitute one and the same instrument. Any party may enter into this Agreement by executing any such counterparts.

10 NOTICES

10.1 ADDRESSES

Any notice, claim or demand in connection with this Agreement (each a Notice) shall be sufficiently given (1) To any of TdF, TdFI or CTC, at the address stated in this Agreement or last known to the BBC and (2) To the BBC, at its registered office.

10.2 FORM

Any Notices shall be in writing in English and may be sent by messenger, telegram, telex, fax or prepaid (first class in the case of service in the United Kingdom and airmail in the case of international service). Without prejudice to the foregoing, any Notice shall conclusively be deemed to have been received on the next working day in the place to which it is sent, if sent by telegram, telex or fax, or 60 hours from the time of posting, if sent by post.

11 GOVERNING LAW AND SUBMISSION TO JURISDICTION

11.1 GOVERNING LAW

This Agreement shall be governed by and construed in accordance with English law.

11.2 JURISDICTION

All the parties irrevocably agree that the courts of England are to have jurisdiction to settle any dispute which may arise out of or in connection with this Agreement and the documents to be entered into pursuant to it. All the parties irrevocably submit to the jurisdiction of such courts and waive any objection to proceedings in any such court on the ground of venue or on the ground that the proceedings have been brought in an inconvenient forum.

12 APPOINTMENT OF PROCESS AGENT

12.1 CTC irrevocably appoints Norose Notices Limited (AMC/99/2135214) for the attention of the Director of Administration, at its registered office for the time being as its agent to accept service of process in England in any legal action or proceedings arising out of or in connection with this Agreement, service upon whom shall be deemed completed whether or not forwarded to or received by CTC. If such process agent ceases to be able to act as such or to have an address in England, CTC irrevocably agrees to appoint a new process agent in England acceptable to the BBC and to deliver to the BBC within 14 days a copy of a written acceptance of appointment by the process agent.

12.2 Each of TdFI and TdF irrevocably appoints Fleetside Legal Representatives Services Limited, for the attention of Dennis Stewart, at its registered for the time being, as its agent to accept service of process in England in any legal action or proceedings arising out of or in connection with this Agreement, service upon whom shall be deemed completed whether or not forwarded to or received by TdFI or TdF. If such process agent ceases to be able to act as such or to have an address in England, each of TdF and TdFI irrevocably agrees to appoint a new process agent in England acceptable to the BBC

and to deliver to the BBC within 14 days a copy of a written acceptance of appointment by the process agent.

12.3 Nothing in this Agreement shall affect the right to serve process in any other manner permitted by law.

13 RESTRICTIVE TRADE PRACTICES

Notwithstanding any other provision of this Agreement, no provision of this Agreement which is of such a nature as to make this Agreement liable to registration under the Restrictive Trade Practices Act 1976 shall take effect until the day after that on which particulars thereof have been duly furnished to the Director General of Fair Trading.

Schedule 1

CTC INTERESTS

Relevant Company	Class of Shares	No. of Relevant Shares/Preferences Shares
Newco	Preference Shares of 1p each	3,522,154,310
	Ordinary Shares of 1p each	3,525,690
CTS	Ordinary Shares of (Pounds)1 each	such number as represents 34.45% of the Shares of CTS, immediately following Completion

TdfI INTERESTS

Relevant Company	Class of Shares	No. of Shares/ Preference Shares
Newco	Referenced Shares of 1p each	2,160,837,000
	Ordinary Shares of 1p each	2,163,000
CTS	Ordinary Shares of (Pounds)1 each	such numbers as represents 21.13% of the Shares of CTS, immediately following Completion

DATED . . , 1998

CASTLE TRANSMISSION INTERNATIONAL LIMITED.

and

TELEDIFFUSION DE FRANCE S.A.

AMENDED AND RESTATED
SERVICES AGREEMENT

ALLEN & OVERY
London

THIS AMENDED AND RESTATED SERVICES AGREEMENT is dated . July, 1998 and is made
BETWEEN:

- (1) CASTLE TRANSMISSION INTERNATIONAL LIMITED (No. 3196207) whose registered office is at Warwick Technology Park, Gallows Hill, Heathcote Lane, Warwick CV34 6TN (the "COMPANY"); and
- (2) TELEDIFFUSION DE FRANCE S.A. of 10 rue d'Oradour sur Glane, 75015 Paris, France (the "CONTRACTOR").

WHEREAS:

- (A) The parties hereto entered into a services agreement dated 28th February, 1997 (the "ORIGINAL SERVICES AGREEMENT"). The parties have agreed to amend and restate such agreement on the terms set out in this Agreement.
- (B) This Agreement sets out the terms on which the Contractor has agreed to provide certain services to the Company.
- (C) Without limiting the rights of the Company under this Agreement, it is the current intention of the parties hereto that this Agreement shall continue for a period of seven years, which period shall be deemed to have begun on the Commencement Date (as defined below).

NOW IT IS HEREBY AGREED as follows:

1. DEFINITIONS

In this Agreement, unless the context otherwise requires:

"APPLICABLE TDF RATES" means the Contractor's standard charge out rates from time to time quoted when providing to third parties on a commercial arm's length basis the services of personnel of the type referred to in paragraph 1(a) of Part A of the Schedule to this Agreement;

"CCIC" means Crown Castle International Corp.;

["CCIC CHANGE OF CONTROL" shall have the same meaning as "Change of Control" in the CTSH Shareholders' Agreement between CCIC, the Company and the Contractor, to the extent to which such definition applies to CCIC;]

"CCIC GROUP" means CCIC and its subsidiaries (other than members of the CTI Group);

["CONTRACTOR CHANGE OF CONTROL" shall have the same meaning as the definition of "TDF Change of Control" in the Governance Agreement between CCIC and the Contractor;]

"COMMENCEMENT DATE" means 28th February, 1997;

"COMMITTED SERVICES" means services falling within the scope of the categories of services listed in paragraph 1(b) of Part A of the Schedule;

"COMPANY DEFAULT" means any material or persistent breach or persistent non-performance by the Company of its obligations under this Agreement which, if capable of remedy, is not remedied within 45 days after receiving written notice from the Contractor requiring the Company so to do;

"CONTRACT YEAR" means the period of 12 months commencing on the Commencement Date and each successive period of 12 months thereafter;

"CONTRACTOR DEFAULT" means any material or persistent breach or persistent non-performance by the Contractor of the terms on which the Contractor is to provide the services pursuant to the provisions of this Agreement which, if capable of remedy, is not remedied within 45 days after receiving written notice from the Company requiring the Contractor so to do;

"CONTRACTOR'S MATERIALS" means any property of the Contractor (other than the New Material) including without limitation any know how, materials, products and methodologies proprietary to the Contractor;

"CTI GROUP" means Castle Transmission Services Holdings Limited and its subsidiaries (including the Company);

"GROUP" means, in relation to a company, its subsidiaries, holding companies and any subsidiaries of any such holding companies ("HOLDING COMPANIES" and "SUBSIDIARY" having ascribed thereto the meanings respectively attributed to them by section 736 Companies Act 1985 (as amended));

"INITIAL PERIOD" means the period commencing on the Commencement Date and ending on the seventh anniversary of the Commencement Date;

"INTERNATIONAL BUSINESS OPPORTUNITIES" means business within a Permitted Business Line undertaken and developed by members of the CCIC Group anywhere in the world except the United Kingdom;

"MAN DAY" means [8] hours of working time;

"MATERIAL DEFAULT" means, in relation to a party to this Agreement, that:

- (a) it becomes unlawful for that party to perform its obligations pursuant to and in accordance with the provisions of this Agreement;
- (b) that party takes any action or legal proceedings are commenced for a general reconstruction or rescheduling of its debts (or its equivalent in the jurisdiction of incorporation of that party) or for its winding up or dissolution;
- (c) a liquidator, receiver or an administrative receiver or similar is appointed over the assets of or a petition is granted for an administration order (or its equivalent in the jurisdiction and incorporation of that party) in respect of that party;

"NEW MATERIAL" means any works and materials to the extent created, developed, written or prepared by the Contractor solely in relation to the Services;

"PERMITTED BUSINESS LINE" means (i) the ownership, operation or management (for third party owners or otherwise) of terrestrial wireless communication (including, without limitation, voice, data and video) infrastructure (including equipment and facilities principally related thereto) and (ii) the provision of infrastructure services principally related thereto, including but not limited to network transmission and services (it being understood for the avoidance of doubt that the transmission of radio and television broadcasting shall be within the foregoing definition);

"YEARLY FEE" means the sum determined in accordance with Clause 3(1) to this Agreement (subject to adjustment for the sixth and subsequent Contract Years by agreement between the parties) to be paid by the Company to the Contractor in respect of Committed Services provided in the relevant Contract Year.

2. APPOINTMENT

- (1) The Contractor agrees to provide the Committed Services to the Company as may reasonably be required by the Company from time to time.
- (2) Without limiting the generality of subclause 2(1), the Contractor agrees to provide such additional services of the type described in paragraph 2 of Part A of the Schedule to this Agreement as the Company may reasonably request. Such additional services shall be provided on substantially the same commercial terms as the Committed Services. The fees for such additional services shall be in addition to the Yearly Fee.
- (3) Without limiting the generality of subclause 2(1), the parties acknowledge that the Company may request the Contractor to provide services relating to training and research and development as described in Part B of the Schedule to this Agreement on a contract basis on commercial arm's length terms and conditions (including as to fees) to be separately agreed and the parties shall negotiate in good faith with a view to agreeing such terms and conditions as soon as practicable after the date of such request by the Company. The fees for such services shall be in addition to the Yearly Fee.
- (4) The parties acknowledge that the Company may request the Contractor to provide some or all of the Committed Services, additional services of the type described in paragraph 2 of Part A of the Schedule (as referred to in subclause 2(2)) and services relating to training and research and development as described in Part B of the Schedule (as referred to in subclause 2(3)), on its behalf to members of the CCIC Group in relation to International Business Opportunities. The terms and conditions of any such services shall be negotiated in accordance with subclauses 2(2) and 2(3), as applicable, as soon as practicable after the date they are requested by the Company. The fees for the Committed Services provided to the Company under this subclause 2(4) shall be included in, and shall form part of the calculation of, the Yearly Fee. The fees for any other services provided to the Company shall be in addition to the Yearly Fee.

3. FEES AND EXPENSES

- (1) In consideration of the agreement of the Contractor to provide the Committed Services the Company shall (subject to subclause 6(1)) pay to the Contractor the Yearly Fee (together with value added tax

thereon, if applicable). The Yearly Fee in respect of Committed Services provided in the relevant Contract Year shall be whichever is the greater of (i) (Pounds)400,000 and (ii) a sum in pounds sterling equal to the product of the number of man hours worked by the Contractor's personnel referred to in paragraph 1(a) of Part A of the Schedule to this Agreement multiplied by the Applicable TDF Rates.

- (2) The Company agrees to reimburse the Contractor for all reasonable out-of-pocket expenses (together with any value added tax thereon) incurred by it or its employees, or in relation to the provision of equipment and/or materials required, in connection with the provision of the Committed Services (including any Committed Services provided under subclause 2(4)) and any additional services to be provided pursuant to subclauses 2(2), 2(3) and 2(4). Such out-of-pocket expenses shall be payable by the Company within 30 days after receipt by the Company of the Contractor's invoice in respect of the same.
- (3) The Yearly Fee shall be payable in such manner and at such times as the parties may agree and, in the absence of agreement, shall be paid in 12 equal instalments monthly in arrears.
- (4) Any instalment of the Yearly Fee and any amount in respect of the Contractor's reasonable out-of-pocket expenses which is not paid on its due date shall bear interest at 2 per cent. per annum above the base rate of Barclays Bank PLC from time to time from the due date for payment until payment is actually made.
- (5) If this Agreement shall, in accordance with its terms, terminate other than on the last day of a Contract Year, the Yearly Fee payable in respect of that year shall be apportioned on a time apportionment basis.
- (6) For the avoidance of doubt, the Contractor shall not be obliged to supply and the Company shall not be obliged to accept Committed Services over and above the level contemplated in paragraph 1(a) of Part A of the Schedule to this Agreement. Any additional services shall be provided by agreement between the Contractor and the Company and at the Applicable TDF Rate.

4. OTHER OBLIGATIONS

- (1) The Contractor shall provide the Committed Services and any additional services using reasonable skill and care and reasonably promptly and to a standard which might reasonably be expected of a person providing services of the type which the Contractor is obliged to provide pursuant to the provisions of this Agreement.
- (2) The Company and the Contractor shall liaise together with a view to agreeing a rolling schedule of future Committed Services which are likely to be required by the Company either pursuant to subclauses 2(1) or 2(4).
- (3) The Contractor shall in no circumstances be liable for indirect or consequential loss (including loss of profits) deriving from the provision or failure to provide any Committed Services or any additional services to the Company.
- (4) The Company acknowledges that the Contractor's Materials shall remain the property of the Contractor and that, save as provided in Clause 4(5), the Company shall not acquire any rights or

interest in the Contractor's Materials under this Agreement.

- (5) The parties agree that any intellectual property which is created solely by reason of the provision of the Committed Services shall either belong to the Company or shall be licensed on a non-exclusive basis to the Company on a royalty-free basis.

5. ANNUAL REVIEW

Not later than three months before the end of the fifth and each subsequent Contract Year, the parties shall discuss in good faith the extent and quality of the Committed Services provided during that Contract Year, the extent to which the Yearly Fee for that Contract Year represents a fair and equitable fee for the provision of those Committed Services and the extent to which the Yearly Fee would represent a fair and equitable fee for the provision of those Committed Services which are then forecast to be required by the Company during the Contract Year next following, all with a view to agreeing a mutually acceptable Yearly Fee for the Contract Year next following (but on the basis that the Yearly Fee shall not be reduced unless any such reduction is justifiable on objective grounds).

6. TERM AND TERMINATION

- (1) Subject to the rights of the Company and the Contractor under the remaining provisions of this Clause 6, this Agreement shall continue for the Initial Period and thereafter may be terminated by the Company or the Contractor at any time by giving twelve months notice in writing to the other party to expire at the end of the seventh Contract Year or any anniversary thereof save that the Company agrees that (subject to and without limiting its rights under the remaining provisions of this Clause 6), it shall not give notice to terminate this Agreement under this subclause 6(1) unless the directors for the time being of the Company shall in good faith determine that the Committed Services provided by the Contractor are not required or are not value-enhancing or that they cease to be commercially acceptable or cost effective for the Company.
- (2) The Company shall be entitled at any time after the date of this Agreement and by giving notice in writing to the Contractor to terminate this Agreement with six months notice for Contractor Default [or a Contractor Change of Control].
- (3) Either party shall be entitled by giving notice to the other to terminate this Agreement with immediate effect if that other party is in Material Default.
- (4) The Contractor shall be entitled at any time after the date of this Agreement and by giving notice in writing to the Company to terminate this Agreement with six months' notice for Company Default [or a CCIC Change of Control].
- (5) Any termination by either party of or the exercise by either party of its rights to terminate the provisions of this Agreement in accordance with this Clause 6 shall be without payment of compensation or damages whatsoever to the defaulting party (but without prejudice to any sums due and payable under the terms of this Agreement for Committed Services or additional services already provided by the Contractor in accordance with the terms of this Agreement).
- (6) It is hereby acknowledged by the parties hereto that the Contractor shall be given notification of any further services required by the Company from time to time where the services required are of a type
-

which, in the opinion of the Company acting in good faith, the Contractor has the know-how to so provide so as to give the Contractor the opportunity to tender. The Company shall, in good faith, consider any application to tender for services made by the Contractor in these circumstances and, in the event that such tender is unsuccessful, shall provide the Contractor with a full explanation of the reasons therefor.

- (7) No director nominated by the Contractor or any company in its Group nor shall the Contractor or any company in its Group be entitled to participate in any decision of the Directors of the Company which is expressed in this Agreement as being a decision to be made by the Company (provided however that the Contractor shall be entitled to participate in any discussions leading up to such decisions). For the avoidance of doubt, notwithstanding the provisions of this Clause 6(7), the Director nominated by the Contractor or any member of its Group shall be entitled to participate in any decision of the Directors of the Company regarding the nature and level of services to be provided to the Company generally and not specifically in relation to this Agreement to the extent to which it otherwise has such rights.

7. ASSIGNMENT AND SUB-CONTRACTING

- (1) Neither party may assign any of its rights under this Agreement without the consent of the other, such consent not to be unreasonably withheld.
- (2) The Contractor may not sub-contract or delegate the performance of its obligations under this Agreement (save to a company which is a subsidiary or holding company of the Contractor, or which is a subsidiary of' any such holding company).

8. NOTICE

All notices and other communications required or permitted under this Agreement shall be in writing and shall be delivered personally, sent by air courier (in the case of' notices given by a party in one jurisdiction to a party in another), first class pre-paid post (in the case of a notice given by a party in one jurisdiction to a party in the same jurisdiction), telexed or sent by facsimile transmission (and promptly confirmed by air courier service in the case of notices sent from one jurisdiction to another and by first class pre-paid post in the case of notices sent by a party in one jurisdiction to another party in the same jurisdiction). Any such notice shall be deemed given when so delivered personally, telexed or sent by facsimile transmission or air courier or first class pre-paid post to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

the Company: if to the Company, to:

the Company at its registered office for the time being
Attention: the Managing Director

the Contractor: if to the Contractor, to:

TeleDiffusion de France S.A.
10 rue d'Oradour sur Glane
75015

Paris
France
Attn: Michael Azibert
Fax: 331 5595 2066

9. CONFIDENTIALITY

- (1) All information given by the Company to the Contractor or otherwise obtained by the Contractor relating to the business or operations of the Company or of any person, firm, company or organisation associated with the Company including, without limitation, the names and other particulars of the Company's customers or clients (except for information which is in or enters the public domain other than by breach of this Clause 9(1)) will be treated by the Contractor, its employees, agents and sub-contractors as confidential and not used other than for the benefit of the Company nor disclosed to third parties without the prior written consent of the Company.
- (2) All information given by the Contractor to the Company or otherwise obtained by the Company relating to the business or operations of the Contractor or of any person, firm, company or organisation associated with the Contractor (other than information which is supplied in the provision of the Committed Services and any additional services) including, without limitation, the names and other particulars of the Contractor's customers or clients (except for information which is in or enters the public domain other than by breach of this Clause 9(2)) will be treated by the Company, its employees, agents and sub-contractors as confidential and not used other than for the benefit of the Contractor nor disclosed to third parties without the prior written consent of the Contractor.
- (3) The foregoing obligations as to confidentiality shall remain in full force and effect notwithstanding any termination of this Agreement.

10. FORCE MAJEURE

Neither party will be liable to the other for any loss or damage suffered as a direct or indirect result of any failure to provide any of the Committed Services or any additional services or to perform or observe any other obligation in this Agreement as a result of the occurrence of any of the following: act of God, governmental act, war, fire, flood, explosion and commotion or industrial dispute of a third party which prevents or substantially hinders such performance and observance; provided that in the event of any such circumstances arising the non-performing party shall as soon as practical give notice thereof in writing to the other party with reasonable details of the nature of the particular circumstances and the anticipated duration of suspension or other inhibition on performance and shall further notify the other party on the cessation of any such circumstances as are described in this Clause 10.

11. SECONDMENT

The provision of Committed Services or any additional services under this Agreement may include the provision of services of an employee of the Contractor made available on a full or part time basis to the Company by means of secondment in which event the individual shall remain an employee of the Contractor.

12. GENERAL

- (1) Nothing in this Agreement shall be deemed to create a partnership or agency relationship between the Company and the Contractor or be deemed to authorise either party to incur any liabilities or obligations on behalf of or in the name of the other.
- (2) A waiver (whether express or implied) by one of the parties of any of the provisions of this Agreement or of any breach of or default by the other party in performing any of those provisions shall not constitute a continuing waiver and that waiver shall not prevent the waiving party from subsequently enforcing any of the provisions of this Agreement not waived or from acting on any subsequent breach of or default by the other party under any of the provisions of this Agreement.
- (3) Any amendment, waiver or variation of this Agreement shall not be binding on the parties unless set out in writing, expressed to amend this Agreement and signed by or on behalf of each of the parties.
- (4) The invalidity, illegality or unenforceability of any of the provisions of this Agreement shall not affect the validity, legality and enforceability of the remaining provisions of this Agreement.
- (5) This Agreement supersedes in all respects the Original Services Agreement which the parties agree shall be of no further force or effect.

13 GOVERNING LAW AND JURISDICTION

- (1) This Agreement shall be governed by and construed and interpreted in accordance with the laws of England.
- (2) Each of the parties (for itself and on behalf of its respective holding and subsidiary companies and the directors, employees and agents of each of them) agrees that the English Courts shall have exclusive jurisdiction to hear and decide any and all claims, disputes, complaints, actions or proceedings ("CLAIMS OR PROCEEDINGS") whether in contract or tort, which may arise at any time out of or in connection with any of the matters referred to in this Agreement, including, but not limited to, any Claim or Proceedings asserting dishonesty, improper or illegal conduct or breach of trust or duty or based on the effects of any of those matters in any jurisdiction and any Claim or Proceedings which may be material to either of the parties but of which that party is unaware or does not suspect exists and for this purpose each of the parties irrevocably submits to the exclusive jurisdiction of the English Courts.
- (3) The Contractor hereby irrevocably authorises and appoints Fleetside Legal Representative Services Limited (for the attention of Denis Stewart) at its registered office for the time being (or such other person resident in England as the Contractor may by notice to all other parties substitute) to accept service of all legal process arising out of or connected with this Agreement and service on Fleetside Legal Representative Services Limited (or such substitute) shall be deemed to be service on the party concerned.

IN WITNESS whereof this Agreement has been entered into the day and year first above written.

SCHEDULE

THE SERVICES

PART A

1. TRANSMISSION OPERATION

- (a) The Contractor will commit on the availability of 10 engineers or executives (7 "SENIOR ENGINEERS" and 3 "EXPERTS" - the latter category refers to executives occupying one of the top thirty positions in the Contractor), such commitment to be for an average of a quarter of each senior engineer or expert's working time, or 500 Man-Days per year altogether.
- (b) Services from the Contractor to the Company will be made available in respect of the following:
- TV network planning and engineering (focus on digital networks), including frequency planning, coverage prediction, network deployment.
 - Radio network planning and engineering (focus on digital networks).
 - Wireless communication network planning and engineering (focus on digital networks)
 - Technical and marketing (including pricing) support for launching new services.
 - Technical and commercial support for international projects (in relation to International Business Opportunities).
 - Other potential services include equipment expert evaluation, equipment procurement (that captures economies of scale) and any technical solutions and methodology capable of improving the Company's services.
 - Spectrum and coverage planning for broadcasting and communications systems (digital and analogue).
 - Radio frequency environmental support.

2. ADDITIONAL SERVICES

Additional services of the type described in paragraph 1(b) above will be provided by the Contractor on the basis set out in Clause 2(2). If needed, the Contractor can further draw on expertise within the France Telecom Group to provide the Company with advice and/or services such as conditional access (CA), subscriber management systems (SMS) and electronic program guide (EPG).

PART B

1. Research and Development

Availability of research and development resources from the Contractor's research centres: CCETT and TDF C2R The Contractor and the Company will negotiate in good faith a Memorandum of Understanding defining the ways by which the services are delivered to the Company and the Contractor's remuneration.

Possible service areas, to be discussed with the Company, include:

- Digital terrestrial TV and radio, including digital MMDS.
- Additional services: traffic information and guidance, datacasting, monitoring and remote management systems, Synchronous FM, multimedia and interactive services.

2. PROFESSIONAL TRAINING

Complementary training of the Company's employees in areas such as:

- Digital terrestrial TV and radio
- Cross-activity training: training of television technicians on maintenance of radiocoms equipment (new standards and technologies)
- Sales and marketing
- In addition, the Contractor will provide a training methodology and training facilities to the Company in coordination with the Company's management.

The Contractor and the Company will negotiate in good faith a Memorandum of Understanding defining the ways by which the services are delivered to the Company and the Contractor's remuneration.

3. EXCHANGE OF MIDDLE MANAGEMENT/ENGINEERS

In order to foster a cross-fertilisation approach between the Company and the Contractor, the Contractor will use its best efforts to encourage the exchange of middle management and engineers between both organisations.

SIGNATORIES

SIGNED by)
)
for and on behalf)
of the Company)
.....
Duly authorised

SIGNED by)
)
for and on behalf)
of the Contractor)
.....
Duly authorised

Castle Transmission Services (Holdings) Ltd.

ALL EMPLOYEE SHARE OPTION SCHEME

Adopted by the Board of Castle Transmission Services (Holdings) Ltd. on 23
January 1998

KPMG Tax Advisers
1 Puddle Dock
LONDON
EC4V 3PD

Ref CAS1.DOC

Date: 23 January 1998

RULES OF THE CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD.
ALL EMPLOYEE SHARE OPTION SCHEME

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RULES OF THE CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD.
ALL EMPLOYEE SHARE OPTION SCHEME

1 DEFINITIONS

1.1 In these Rules the following words and expressions shall have, where the context so admits, the following meanings:

- "Act" - the Income and Corporation Taxes Act 1988;
- "Adoption Date" - the date on which the Scheme is adopted by the Board;
- "Auditors" - the auditors for the time being of the Company (acting as experts and not as arbitrators);
- "Board" - the board of directors of the Company or the Committee at which a quorum is present;
- "Committee" - a duly constituted committee of the Board;
- "Company" - Castle Transmission Services (Holdings) Ltd. registered in England No 3242381 or save for Rules 2, 3, 4, and 7.2 such company as shall be at anytime the Acquiring Company as defined in Rule 6.5;
- "Control" - as described in section 416 or section 840 of the Act;
- "Date of Grant" - the date on which an Option is, was or is to be granted to an Eligible Employee under the Scheme, pursuant to Rule 4.1 or on which an Option is or was treated as being granted pursuant to Rule 4.3;
- "Deposit" - 50% of the Exercise Price;
- "Eligible Employee" - any director or employee of any Group Company;
- "Exercise Price" - the price as determined by the Board at which an Eligible Employee may acquire a Unit on the exercise of an Option being, subject to Rule 4.3 and Rule 7 not less than the aggregate nominal value of the underlying shares;

- "Flotation" - the date on which any ordinary shares in the capital of the Company become listed on any Recognised Exchange and also, in the case of a New Option granted pursuant to Rule 4.3, immediately following the Date of Grant of the New Option if any ordinary shares of the Acquiring Company are already listed on a Recognised Exchange;
- "Group" - the Company and its Subsidiaries and the phrase "Group Company" shall be construed accordingly;
- "Invitation" - an invitation issued by the Company to an Eligible Employee to apply for the grant of an Option as set out in Appendix I or such form as the Board may determine from time to time;
- "Letter of Grant" - the letter in the form set out in Appendix III or in such form as the Board may determine from time to time;
- "Merger" - the acquisition of Control of the Company by Castle Tower Holding Corporation (a Delaware corporation) or a company under the Control of or having Control of that company;
- "New Option" - an option over shares in the Acquiring Company (as defined in Rule 6.5) granted in consideration for the release of a Subsisting Option;
- "Notice of Exercise" - the notice of exercise in the form set out in Appendix IV or in such form as the Board may determine from time to time;
- "Option" - a right to acquire Units granted or to be granted pursuant to Rules 4.1 or 4.3;
- "Option Certificate" - the option certificate set out in Appendix IV or in such form as the Board may determine from time to time;

"Option Holder"	-	a person who has been granted an Option or (where the context admits) his legal personal representative(s);
"Recognised Exchange"	-	a recognised stock exchange within the meaning of section 841 of the Act or a recognised investment exchange within the meaning of the Financial Services Act 1986;
"Rules"	-	the rules of the Scheme as may be amended from time to time;
"this Scheme"	-	this Castle Transmission Services (Holdings) Ltd. All Employee Share Option Scheme constituted and governed by the Rules;
"Subsidiary"	-	a company which is under the Control of the Company and which is a subsidiary of the Company within the meaning of section 736 of the Companies Act 1985;
"Subsisting Option"	-	an Option which has been granted and which has not lapsed, been surrendered, renounced or exercised in full;
"Unit"	-	subject to Rule 7.1, a stapled shareholding comprising one ordinary share of 1p and nine hundred and ninety nine redeemable preference shares of 1p each in the capital of the Company or, where a New Option has been granted or is to be granted pursuant to Rule 4.3, a share in the capital of the Acquiring Company;

1.2 In these Rules, except insofar as the context otherwise requires:

- (i) words denoting the singular shall include the plural and vice versa;
- (ii) words importing a gender shall include every gender and references to a person shall include bodies corporate and unincorporated and vice versa;

- (iii) reference to any enactment shall be construed as a reference to that enactment as from time to time amended, modified, extended or re-enacted and shall include any orders, regulations, instruments or other subordinate legislation made under the relevant enactment;
- (iv) headings and captions are provided for reference only and shall not be considered as part of the Scheme.

2. INVITATION TO APPLY FOR OPTIONS

- 2.1 At any time or times on or after the Adoption Date but not later than the tenth anniversary of the Adoption Date, the Board may select any number of individuals who may at the intended Date of Grant be Eligible Employees and invite them to apply for the grant of an Option.
- 2.2 Each Invitation shall specify
 - (i) the date (being neither earlier than 7 nor later than 28 days after the issue of the Invitation) by which an application must be made;
 - (ii) the maximum number of Units in respect of which that individual may on that occasion apply for an Option, being determined at the absolute discretion of the Board;
 - (iii) subject to (ii) above, the limit, if any, in respect of the number of Units in respect of which an application may be made; and
 - (iv) the Exercise Price at which Units may be acquired on the exercise of any Option granted in response to the application and the details of the Deposit which will be payable.
- 2.3 Each Invitation shall be accompanied by an application form in such form, not inconsistent with these Rules, as the Board may determine.

3. APPLICATIONS FOR OPTIONS

- 3.1 Not later than the date specified in the Invitation each Eligible Employee to whom an Invitation has been issued in accordance with Rule 2 above may apply to the Board, using the application form supplied, for an Option over a number of Units not exceeding the number specified in the Invitation.

4. GRANT OF OPTIONS

- 4.1 Not later than the thirtieth day following the date by which an application must be made the Board may grant to each applicant who is still an Eligible Employee an Option over the number of Units specified in his application.
- 4.2 In granting an Option pursuant to Rule 4.1 the Board shall require the Option Holder to pay a Deposit to the Company in respect of the Units subject to the Option within thirty days of the Date of Grant. The Deposit will constitute a payment on account of the aggregate Exercise Price. The Deposit shall not be interest bearing and will be refunded to the Option Holder to the extent an Option lapses. Where a New Option is granted in the circumstances noted in Rule 4.3 the Deposit, if any, paid by the Option Holder in respect of the Option that is released shall be payable by the Company to the company in respect of whose shares the New Option is granted and shall be regarded as a payment on account of the aggregate Exercise Price of the New Option. If, as a result of a variation of share capital, the aggregate Exercise Price of an Option is reduced, then an appropriate part of the Deposit will be refunded such that the Deposit continues to be 50% of the aggregate Exercise Price following the variation of share capital.
- 4.3 Where the circumstances noted in Rule 6.5 apply New Options may be granted in consideration for the release of Options previously granted under this Scheme. Such New Options are deemed to be equivalent to the old Options and to have been granted within the terms of this Scheme.
- 4.4 No Option may be transferred, assigned or charged and any purported transfer, assignment or charge shall be void ab initio. Each Option Certificate shall carry a statement to this effect. For the avoidance of doubt, this Rule 4.4 shall not prevent the Option of a deceased Option Holder being exercised by his personal representative(s) within the terms of these Rules.
- 4.5 Options shall be granted by deed and shall be evidenced by the issue of a Letter of Grant to Eligible Employees specifying the Date of Grant, the number of Units subject to Option and the Exercise Price. The Option Certificate shall be sent to the Option Holder together with a Letter of Grant specifying the Deposit required as soon as practicable after the Date of Grant.
- 4.6 The service of a Letter of Grant upon an Eligible Employee shall constitute the call for the payment of the Deposit by that Eligible Employee. If the Deposit is not paid within the period specified in Rule 4.2 and in that same period none of the events specified in Rules 5.1 (i), (ii), or (iii) or Rule 4.3 occurs the relevant Option Holder shall be deemed to have surrendered his Option which shall lapse in accordance with Rule 5.3 (vii). If one of the events specified in Rules 5.1 (i), (ii), or (iii) or Rule 5.2 occurs before the expiry of the period specified in Rule 4.2 and before the Deposit is paid by that Eligible Employee the Board shall be deemed to have waived the

requirement imposed upon that Eligible Employee to pay a Deposit pursuant to Rule 4.2. In this case the Exercise Price shall be payable in full when the Option is exercised.

5. EXERCISE OF OPTIONS

5.1 Subject to each of the rules of this Rule 5 and Rule 8 below any Subsisting Option may be exercised by the Option Holder or, if deceased, by his personal representatives in whole at the time of or at any time following the occurrence of the earliest of the following events:

- (i) the third anniversary of the Date of Grant;
- (ii) Flotation;
- (iii) an opportunity to exercise an Option pursuant to Rule 6.

5.2 The Board may in exceptional circumstances not otherwise provided for in these Rules invite all Option Holders to exercise their Options at any time following the Date of Grant. Where exercise is thereby permitted, it shall take place to such extent and within such period as the Board shall specify but in exercising this discretion the Board will not discriminate between individual Option Holders.

5.3 An Option shall lapse and become thereafter incapable of exercise on the earliest of the following events:

- (i) the seventh anniversary of the Date of Grant or such earlier date specified by the Board at the Date of Grant;
- (ii) the first anniversary of the Option Holder's death;
- (iii) where an Option Holder ceases to be a director or employee of the Group other than by reason of death the later of:
 - (a) six months from the date of cessation; or,
 - (b) where Flotation occurs in the six month period specified at (a) above or in that same period an event specified in Rules 6.1, 6.2 or 6.3 occurs, three months from Flotation or three months from the time the person obtains Control or the Court sanctions the compromise or arrangement;
- (iv) the end of the period of exercise determined in accordance with Rule 6;

- (v) where the Option Holder is offered a New Option in consideration for the release of an Option pursuant to Rule 6.5 at the end of the period in which that company's offer may be accepted;
- (vi) the Option Holder being adjudicated bankrupt;
- (vii) the surrender of the Option by the Option Holder.

6. TAKE-OVERS, RECONSTRUCTIONS, LIQUIDATIONS AND OPTION EXCHANGES

- 6.1 If in circumstances other than a Merger any person not being a company under the same Control as the Company obtains Control of the Company as a result of making a general offer to acquire the whole of the issued share capital of the Company (other than that which is already owned by him) which is unconditional or which is made on a condition such that if it is satisfied the person making the offer will have Control of the Company, then the Board shall notify all Option Holders as soon as is practicable of the offer in accordance with Rule 9.4. Any Subsisting Option may be exercised from the date of the receipt of that notification up to a period ending six months from the time when the person obtains Control of the Company and any condition subject to which the offer is made has been satisfied.
- 6.2 If in circumstances other than a Merger any person not being a company under the same Control as the Company obtains Control of the Company other than as a result of the event specified in Rule 6.1 then the Board shall notify all Option Holders as soon as practicable after the change of Control in accordance with Rule 9.4. Any Subsisting Option may be exercised from the date of the receipt of the notification up to a period ending six months from the time when the person obtains Control of the Company.
- 6.3 If in circumstances other than a Merger under Section 425 of the Companies Act 1985 the Court sanctions a compromise or arrangement proposed for the purpose of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, any Subsisting Option may be exercised within six months of the Court sanctioning such compromise or arrangement.
- 6.4 If in circumstances other than a Merger any person not being a company under the same Control of the Company becomes bound or entitled to acquire shares in the Company comprised within Units under sections 428 to 430 of the Companies Act 1985 any Subsisting Option may be exercised at any time when that person remains so bound or entitled.
- 6.5 If as a result of the occurrence of one or more of the events specified in Rules 6.1, 6.3 or 6.4 or as a result of a Merger a company whether or not under the same Control as the Company has obtained Control of the Company, the Option Holder may, if the other company (the Acquiring

Company) so agrees, release any Subsisting Option he holds in consideration for the grant of a New Option.

A New Option issued in consideration of the release of an Option shall be evidenced by an Option Certificate which shall import the relevant provisions of these Rules.

A New Option shall, for all other purposes of this Scheme, be treated as having been acquired at the same time as the corresponding released Option.

- 6.6 If notice is duly given of a general meeting at which a resolution will be proposed for the voluntary winding-up of the Company, an Option shall be exercisable (but so that any exercise hereunder shall be conditional upon such resolution being passed) at any time thereafter until the resolution is duly passed or defeated or the general meeting is concluded or adjourned, whichever shall first occur. If such resolution is passed an Option shall to the extent unexercised thereupon lapse.
- 6.7 For the purpose of this Rule 6 a person shall be deemed to have obtained Control of a Company if he and others acting in concert with him have together obtained Control of it.
- 6.8 The periods of exercisability and date of lapse determined in accordance with Rules 5.1(iii) and 5.3(iv) and (v) are determined by whichever of the pre-conditions of Rules 6.1, 6.2, 6.3, 6.4 and 6.5 are first achieved. The subsequent achievement of any other pre-conditions will not cause a period of exercisability to begin nor a date of lapse to arise.
- 6.9 The exercise of an Option pursuant to the preceding provisions of this Rule 6 shall be subject to the provisions of Rule 8.
- 6.10 A New Option shall not be exercisable by virtue of the event pursuant to which it was granted.

7. VARIATION OF SHARE CAPITAL

- 7.1 In the event of any variation of the share capital of the Company, including, but without prejudice to the generality of the preceding words, any capitalisation or rights issue or any consolidation, sub-division, redemption or reduction of capital the definition of Unit and hence the class of shares comprising an Option, the number of shares subject to any Option and the Exercise Price may be adjusted by the Board in such manner as the Auditors confirm in writing to be, in their opinion, fair and reasonable provided that the Exercise Price for each Unit subject to an Option is not reduced below the nominal value of the underlying shares unless (and to the extent that) the Company is authorised to capitalise from its undistributed profits or reserves upon the exercise of such Option an amount equal to the difference between the aggregate Exercise Price and the

aggregate nominal value of the shares to be issued upon such exercise and to apply such sum in paying up the difference;

Such variation shall be deemed to be effective from the record date at which the respective variation applied to other shares of the same class as the shares comprised within the Units. Any Options exercised within that period shall be treated as exercised with the benefit of the variation confirmed by the Auditors.

7.2 The Board shall take such steps as it considers necessary to notify Option Holders of any adjustment made under Rule 7.1 and may call in, cancel, endorse, issue or reissue any Option Certificate consequent upon such adjustment.

8. MANNER OF EXERCISE OF OPTIONS

8.1 Subject to Rule 8.5 an Option shall be exercised in whole by the Option Holder or, as the case may be, his personal representatives giving notice in writing to the Board by the appropriate Notice of Exercise accompanied by the appropriate payment and the relevant Option Certificate and shall be effective on the date of its receipt by the Board.

8.2 Subject to Rule 8.5 the number of shares comprised within the Units specified in the Notice of Exercise shall be allotted and issued credited as fully paid to the Option Holder within 30 days of the date of exercise and the Company shall arrange for the delivery of evidence of title in respect thereof. Save for any rights determined by reference to a record date preceding the date of allotment, the shares comprised within such Units shall rank pari passu with the other shares of the same class then in issue.

8.3 Where shares of the Company comprised within a Unit are or become listed on any Recognised Exchange, the Company shall apply for shares in respect of which an Option has been exercised to be so listed if they were not so listed already.

8.4 Where shares comprised within a Unit are listed on any Recognised Exchange then no Option may be exercised in contravention of such securities transactions rules of the Recognised Exchange as may from time to time be in force.

8.5 If an Option is exercised and the Option Holder is liable to tax, duties or other amounts on such exercise and his employer or former employer being a Group Company is liable to make a payment to the appropriate authorities on account of that liability the Option Holder shall make a payment to his employer or former employer equal to the amount which the employer or former employer is required to pay to the appropriate authorities. No shares comprised within a Unit shall be allotted to the Option Holder until the employer has received payment from the Option

Holder. This Rule 8.5 shall not apply if the Option Holder makes alternative arrangements to the satisfaction of his employer or former employer and the Company is informed by the employer or former employer that the arrangements are satisfactory.

9. ADMINISTRATION AND AMENDMENT

9.1 The Scheme shall be administered by the Board whose decision on all disputes shall be final save where the Rules require the concurrence of the Auditors.

9.2 The Board may from time to time amend these Rules provided that no amendment may materially affect an Option Holder as regards an Option granted prior to the amendment being made.

9.3 The cost of establishing and operating the Scheme shall be borne by the Group Companies in such proportions as the Board shall determine.

9.4 Any notice or other communication under or in connection with the Scheme may be given by the Board either personally or by post, and to the Board either personally or by post to the Secretary of the Company; items sent by post shall be pre-paid and shall be deemed to have been received 72 hours after posting.

9.5 The Company shall at all times keep available sufficient authorised and unissued shares to satisfy the exercise to the full extent of all Subsisting Options, taking account of any other obligations of the Company to issue unissued shares of the same class as are comprised within Units.

10. LOSS OF OFFICE OR EMPLOYMENT

The rights and obligations of any individual under the terms of his office or employment with any Group Company shall not be affected by his participation in the Scheme or any right which he may have to participate therein, and an individual who participates therein shall waive any and all rights to compensation or damages in consequence of the termination of his office or employment for any reason whatsoever insofar as those rights arise or may arise from his ceasing to have rights under or be entitled to exercise any Option under the Scheme as a result of such termination.

APPENDIX I

TO BE TYPED ON HEADED NOTE PAPER OF CASTLE TRANSMISSION SERVICES
(HOLDINGS)] LTD.

Dear [Participant]

CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD. ("THE COMPANY")
ALL EMPLOYEE SHARE OPTION SCHEME ("THE SCHEME")

I am pleased to inform you the Directors of the Company have decided to invite to you to apply for an Option to acquire 100 Units (a Unit being defined in the Scheme Rules as a stapled shareholding comprising one ordinary share of 1 pence and nine hundred and ninety nine redeemable preference shares of 1 pence each) in the capital of the Company under the terms of the Scheme Rules.

If you wish to accept this invitation, you may do so in respect of all or alternatively 50 per cent of the number of Units specified above by completing the attached application form and sending it to the Company Secretary so as to arrive by NOT LATER THAN [being at a maximum 28 days from the date of this letter].

The amount payable by you to acquire the shares comprised within each Unit (the "Exercise Price") will be (Pounds)10 (1 pence for each ordinary share and redeemable preference share). You are required by the Scheme Rules to pay 50% of this amount as an interest free deposit, being (Pounds)5 per Unit, within 30 days of the date on which any Option is granted to you. Other than in the limited circumstances set out in the Scheme Rules, your Option will lapse if the deposit is not paid in this period. Options will be granted as soon as practicable after the closing date for the receipt of applications from employees. The balance of the acquisition price being (Pounds)5 per Unit will be payable upon exercise of the Option. Any deposit you pay will be refunded if you do not exercise your Option to acquire the underlying shares.

Under current tax legislation you will not be subject to income tax on the grant of the Options. For the tax year in which you exercise an Option and so acquire the underlying shares you will be subject to income tax on the difference between the market value of the shares you acquire and the Exercise Price. Your employing company may be required to account for this liability under the PAYE system if the Company's shares become listed on a recognised stock exchange or if the Inland Revenue consider "trading arrangements" exist for the shares. If PAYE is due on exercise you will be informed of this and,

in the absence of agreeing alternative arrangements, required to pay an amount equal to the tax liability to your employing company as a condition of acquiring the shares.

Yours sincerely

Company Secretary
Castle Transmission Services (Holdings) Ltd.

APPLICATION FORM

To: The Directors,
Castle Transmission Services (Holdings) Ltd.

Dear Sirs

CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD. ("THE COMPANY")
ALL EMPLOYEE SHARE OPTION SCHEME ("THE SCHEME")

With reference to your letter of []
] I hereby apply for the grant of an Option under the above Scheme to subscribe
for shares in the capital of the Company represented by *[] Units
at an Exercise Price of (Pounds)10 per Unit.

If my application is accepted I agree to comply with and be bound by the Rules
of the Scheme and by any amendments or variations thereto.

Yours faithfully

Signed

Full Name of Employee

*Applications must be for the number of Units specified in the Invitation, or
50 per cent of that number.

TO BE TYPED ON HEADED NOTE PAPER OF CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD.

Dear [Participant]

CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD. ("THE COMPANY")
ALL EMPLOYEE SHARE OPTION SCHEME ("THE SCHEME")

I am pleased to inform you the Directors of the Company have granted you an option under the rules of the All Employee Share Option Scheme on [] ("the Date of Grant") to subscribe for [Number] Units (a Unit being defined in the Scheme Rules as a stapled shareholding comprising one ordinary share of 1 pence and nine hundred and ninety nine redeemable preference shares of 1 pence each) in the capital of the Company at an Exercise Price of (Pounds)10 per Unit ("the Option"), being 1 pence for each ordinary and redeemable preference share. Accordingly, I enclose an Option Certificate which sets out the terms of the Option.

It is a condition of the grant to you of this Option that within thirty days of the Date of Grant you make an advance payment ("Deposit") of (Pounds)[] (ie (Pounds)5 per Unit) in respect of the Exercise Price to the Company. The Deposit will be refunded if this Option lapses. Except in certain limited circumstances specified in the Rules, if the Deposit is not paid to the Company within the thirty days referred to above, this Option will lapse.

When you wish to exercise the Option you should complete the notice of exercise on the back of your Option Certificate and send it to me. The certificate states when you may first exercise your Option (although you may be able to exercise it earlier in certain special circumstances specified in the rules of the Scheme).

Under current tax legislation you will not be subject to income tax on the grant of the Option. For the tax year in which you exercise an Option to acquire the underlying shares you will be subject to income tax on the difference between the market value of the shares you acquire and the Exercise Price. Your employing company may be required to account for this liability under the PAYE system if the Company's shares become listed on a recognised stock exchange or if the Inland Revenue consider "trading arrangements" exist for the shares. If PAYE is due on exercise you will be informed of this and, in the absence of

agreeing alternative arrangements, required to pay an amount equal to the tax liability to your employing company as a condition of acquiring the shares.

Yours sincerely

Company Secretary
Castle Transmission Services (Holdings) Ltd.

note: This letter and the Option Certificate are important documents and should be kept in a safe place.

O P T I O N C E R T I F I C A T E

Certificate No. _____

CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD.
("THE COMPANY")

This is to Certify that [Name] of
[Address]

is the holder of an option (the "Option") granted on [Date] to acquire [Number] Units (a Unit being defined in the Rules of the Scheme as comprising one ordinary share and nine hundred and ninety nine redeemable preference shares) in the Company at an Exercise Price of (Pounds)10 per Unit. The Option is granted subject to and incorporating the Rules of the Castle Transmission Services (Holdings) Ltd. All Employee Share Option Scheme ("the Scheme") and is exercisable in accordance with the terms of the Scheme.

(1) Subject to the Rules of the Scheme, the Option may be exercised as set out below:

NUMBER OF UNITS	First Exercise Date (1)	Option Lapses
[Number]	earlier of Third Anniversary of Date of Grant, flotation or sale of the Company	[Seventh Anniversary]

The Option is personal to you and may not be assigned or transferred

The Option and any shares allotted pursuant to an exercise thereof are subject to the Memorandum and Articles of Association of the Company

NOTE: A Notice of Exercise in respect of the Units subject to the Option is on the reverse of this certificate. It must be completed and submitted to the Company Secretary together with this certificate if you wish to exercise your Option

(1) You may be entitled to exercise your Option earlier (and your Option may expire earlier) in special circumstances specified in the rules of the Scheme.

PLEASE READ THE NOTES AT THE FOOT OF THIS FORM
CAREFULLY BEFORE COMPLETING IT

NOTICE OF EXERCISE

The Secretary of
CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD. ("THE COMPANY")

(1) I hereby give notice to the Company that immediately upon receipt of this notice, I am exercising my right granted in the attached Option Certificate to acquire (2) Units (a Unit being defined in the Rules of the Scheme as comprising one ordinary share and nine hundred and ninety nine redeemable preference shares) in the capital of the Company at the Exercise Price per Unit specified in the Option Certificate. I hereby request you on allotment of the underlying shares to place my name on the Register of Members and I agree to accept the said shares subject to the Memorandum and Articles of Association of the Company.

* I am/We are acquiring the shares comprised within the Units as beneficial owner/personal representative(s) of the Option-holder and not as trustee or nominee for any other person

I enclose a remittance for (3) (Pounds) being the amount payable on the allotment of the shares comprised within the Units in respect of which I am exercising the Option.

I hereby request you to despatch evidence of title for the shares to be registered in my name by post at my risk to the address mentioned below.

Signature

Surname

Forename(s)

Address

NOTES

- (1) Although the Option is personal to you, it may be exercised by your personal representative(s) if you die while it is still capable of exercise, provided your personal representative(s) do(es) so within twelve months from the date of your death, or seven years from the date of grant (if sooner). If there are more than one, each of the personal representatives must sign this form.
- (2) Please indicate the number of Units in respect of which you wish to exercise your Option which must be the number of Units specified in the Option Certificate.
- (3) The remittance should be for an amount equal to the Exercise Price per Unit shown overleaf, multiplied by the number of Units in respect of which the Option is exercised less the Deposit if any paid, unless the Company Secretary has informed you that PAYE is due on exercise in which case, in the absence of agreeing alternative arrangements, you will also be required to pay an amount equal to the tax liability.

* Delete as appropriate

RULES OF THE
CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD.
BONUS SHARE PLAN

KPMG Tax Advisers
1 Puddle Dock
London EC4V 3PD
Ref: CAS3.DOC

RULES OF THE CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD.
BONUS SHARE PLAN

1 DEFINITIONS

1.1 In these Rules the following words and expressions shall have, where the context so admits, the following meanings:

"Act"	--	the Income and Corporation Taxes Act 1988;
"Adoption Date"	--	the date on which the Plan is adopted by the Board and the Trustees;
"Auditors"	--	the auditors for the time being of the Company (acting as experts and not as arbitrators);
"Award"	--	an award under the Plan which comprises an Option and/or a Bonus;
"Award Letter"	--	the letter informing the Participant of the potential Award he may receive pursuant to Rule 2A of the Plan in substantially the form set out in Appendix I as may be amended by the Board and Trustees from time to time;
"Board"	--	the board of directors of the Company or the Committee at which a quorum is present;
"Bonus"		the cash sum payable determined in accordance with Rules 2A.3 or 2B.3;
"Committee"		a duly constituted committee of the Board;
"Company"	--	Castle Transmission Services (Holdings) Ltd. registered in England no. 3242381 or save for Rules 2, 3, 4 and 9.2 such company as shall be at any time the Acquiring Company as defined in Rule 6.5;
"Control"	--	has the same meaning as in section 416 or section 840 of the Act;
"Date of Grant"	--	the date on which an Option is, was or is to be granted to an Eligible Employee under the Scheme, pursuant to Rule 4.1, 4.2 or 4.6;
"Eligible Employee"	--	any director or employee of any Group Company;
"Financial Year"	--	an accounting reference period of the Company;

"Group" -- the Company and its Subsidiaries and the expression "member of the Group" shall be construed accordingly;

"Group Employee" -- any director or employee of any member of the Group;

"Letter of Grant" -- the letter informing the Option Holder of the grant of an Option to him in substantially the form set out in Appendix II as may be amended by the Board and the Trustees from time to time;

"Merger" -- the acquisition of Control of the Company by Castle Tower Holding Corporation (a Delaware corporation) or a company under the Control of or having Control of that company;

"New Option" -- an option over shares in the Acquiring Company (as defined in Rule 6.5) granted in consideration for the release of a Subsisting Option;

"Operating Profit" -- the operating profit of the Group before account is taken of any interest charges/income, tax, depreciation and amortisation as determined by the Board;

"Option" -- a right to acquire Units granted or to be granted pursuant to Rules 4.1, 4.2 or 4.6;

"Option Certificate" -- an option certificate in substantially the form set out in Appendix III as may be amended by the Board and the Trustees from time to time provided that it shall specify the Date of Grant and the number of Units over which the Option has been granted;

"Option Holder" -- a person who has been granted an Option or (where the context admits) his legal personal representative(s);

"Participant" -- an Eligible Employee who has been selected by the Board and the Trustees to participate in the Plan in respect of a Financial Year;

"Performance" -- the actual Operating Profit of the Group for a Financial Year expressed as a percentage of the budgeted figure set by the Board for that Financial Year, or where a different measure of budgeted performance is considered by the Board to be appropriate the extent to which the Board judge that budgeted performance to be satisfied;

"Plan" -- this Castle Transmission Services (Holdings) Ltd. Bonus Share Plan constituted and governed by the Rules;

"Plan Price"	--	the price per Unit to be applied when calculating the number of Units in respect of which an Option is granted;
"Preference Form"	--	the form to be sent to the Potential Participants by the Board for completion as to the extent the Potential Participants would prefer to receive any Award in respect of the relevant Financial Year in cash in substantially the form set out in Appendix IV (2A) and (2B) as appropriate as may be amended by the Board and the Trustees from time to time;
"Recognised Exchange"	--	a recognised stock exchange within the meaning of section 841 of the Act or a recognised investment exchange within the meaning of the Financial Services Act 1996;
"the Rules"	--	the rules of the Plan as may be amended from time to time;
"Subsidiary"	--	a company which is under the Control of the Company and which is a subsidiary of the Company within the meaning of section 736 of the Companies Act 1985;
"Subsisting Option"	--	an Option which has been granted and which has not lapsed, been surrendered, renounced or exercised in full;
"Trust"	--	The Castle Transmission Services (Holdings) Employee Benefit Trust;
"Trustees"	--	the original trustees or other trustees for the time being of the Trust;
"Unit"	--	subject to Rule 7, a stapled shareholding comprising one ordinary share of 1p and nine hundred and ninety-nine redeemable preference shares of 1p each in the capital of the Company or, where a New Option has been granted or is to be granted pursuant to Rule 4.6 a share in the capital of the Acquiring Company.

1.2 In this Plan, except insofar as the context otherwise requires:

- (i) words denoting the singular shall include the plural and vice versa;
- (ii) words importing a gender shall include every gender and references to a person shall include bodies corporate and unincorporated and vice versa;
- (iii) reference to any enactment shall be construed as a reference to that enactment as from time to time amended, modified, extended or re-enacted and shall include any orders, regulations, instruments or other sub-ordinate legislation made under the relevant enactment; and
- (iv) heading and captions are provided for reference only and shall not be considered as part of the Plan.

2. PARTICIPATION

2.1 Rules 2A and 2B set out the basis upon which Eligible Employees may participate in the Plan and the basis upon which cash by the payment of a Bonus and/or Units by the grant of Options may be awarded to them.

2.2 On each occasion prior to considering which Eligible Employees should be considered for participation in the Plan, the Board shall determine the relevant Plan Price for that participation.

2A PARTICIPATION WHERE THE POTENTIAL AWARD TO BE RECEIVED BY THE PARTICIPANT IS SPECIFIED TO BE DEPENDENT UPON PERFORMANCE FOR A FINANCIAL YEAR WHICH HAS ENDED.

2A.1 At the beginning of the Financial Year or as soon as reasonably practicable thereafter the Board determine which Eligible Employees should be considered for participation in the Plan for that year ("the Potential Participants"), and will inform the Potential Participants that they are being considered for selection for the Plan and ask them to state their preference on a Preference Form as to the extent to which they would prefer to receive any Award in respect of that Financial Year in cash, provided always that no Participant may elect to nor receive more than the percentage, if any, specified in his Preference Form of his Award in cash.

2A.2 Following receipt of the completed Preference Forms from the Potential Participants, the Board and the Trustees will determine which, if any, Potential Participants are to participate in the Plan for that year.

2A.3 The Board and the Trustees will then determine, at their absolute discretion, the potential Award that may be received by each Participant, dependent upon Performance, in cash by the payment of a Bonus and/or in Units by the grant of Options taking into account any preference received from the Potential Participants concerning the extent to which the Potential Participant would prefer to receive cash, subject to the limitation, if any, specified as to the percentage of the Award receivable by the Participant in cash set out at Rule 2A.1 above.

2A.4 The Board will issue an Award Letter to each Participant within 28 days of the Board and the Trustees making their determination under Rule 2A.3 above. The Award Letter will set out both the amount of Bonus and the number of Units over which an Option is to be granted for any given level of Performance for the relevant Financial Year.

2B PARTICIPATION WHERE THE POTENTIAL AWARD TO BE RECEIVED BY THE PARTICIPANT IS SPECIFIED TO BE CONDITIONAL UPON PERFORMANCE FOR A FINANCIAL YEAR WHICH HAS ENDED.

2B.1 At any time or times the Board shall determine which Eligible Employees should be considered for participation in the Plan based either on their personal contribution or Performance for a Financial Year that has already ended ("the Potential Participants"). The Potential Participants will be informed that they are being considered for selection for the Plan and will be asked to state their preference on a Preference Form as to the extent to which they would prefer to receive any Award in respect of that Financial Year in cash, provided always that no Participant may elect to nor receive more than the percentage, if any, specified in his Preference Form of his Award in cash.

2B.2 Following receipt of the completed Preference Forms from the Potential Participants, the Board and the Trustees will determine which, if any, Potential Participants are to participate in the Plan for that year ("the Participants").

2B.3 The Board and the Trustees will then determine, at their absolute discretion, the Award that may be received by each Participant in cash by the payment of a Bonus and/or in Units by the grant of Options taking into account any preference received from the Potential Participant concerning the extent to which the Potential Participant would prefer to receive cash, subject to the limitation, if any, specified as to the percentage of the Award receivable by the Participant in cash set out at Rule 2B.1 above.

3 ACQUISITION OF SHARES

3.1 As soon as reasonably practicable after Performance for a Financial Year has been determined, the Board and the Trustees will consider whether the Award to be received by a Participant should be increased in an appropriate manner to take account of any increase in the Participant's basic salary since the date of preparation of the relevant Preference Form.

3.2 Once the Board and the Trustees have given consideration to the matter referred to in Rule 3.1, the Trustees shall determine the number of Units over which Options are to be granted and hence the number of underlying shares.

3.3 Provided the Trustees have sufficient funds in the Trust they shall, unless the Board have instructed otherwise, subscribe for the aggregate number of underlying shares determined at Rule 3.2 at such price per Unit and hence per underlying share as the Board shall determine is appropriate in the circumstances.

4. GRANT OF OPTIONS AND PAYMENT OF BONUS

4.1 As soon as reasonably practicable after Performance for a Financial Year has been determined and the Board and Trustees have given consideration to the matter referred to in Rule 3.1, the Company shall pay or procure the payment by the relevant employing company of a Bonus (subject to whatever deductions are required under Rule 4.5 below) to and the Trustees shall grant Options to all Participants who remain Eligible Employees.

4.2 If the Board and the Trustees have determined that, notwithstanding Performance for a Financial Year, each Participant defined in 2A.2 is to receive an Award then as soon as reasonably practicable thereafter the Company shall pay or procure the payment of a Bonus (subject to whatever deductions are required under Rule 4.5 below) to and the Trustees shall grant Options to each Participant so defined who remains an Eligible Employee in accordance with their determination.

4.3 No Option may be transferred, assigned or charged and any purported transfer, assignment or charge shall be void ab initio. Each Option Certificate shall carry a statement to this effect. For the avoidance of doubt, this Rule shall not prevent the Option of a deceased Option holder being exercised by his personal representative(s) within the terms of these Rules.

4.4 Options shall be granted by deed and shall be evidenced by the issue of a Letter of Grant to Participants together with an Option Certificate as soon as practicable after the Date of Grant.

4.5 The Company shall make or shall procure that such deductions (on account of tax or similar liabilities) are made from the payment of any Bonus under Rule 4.1 or Rule 4.2 as may be required by law.

4.6 Where the circumstances noted in Rule 6.5 apply New Options may be granted in consideration for the release of options previously granted under the Scheme. Such New Options are deemed to be equivalent to the old Options and to have been granted within the terms of this Scheme.

5. EXERCISE OF OPTIONS

5.1 Subject to Rule 8 below any Subsisting Option may be exercised in whole or in part by the Option Holder or, if deceased, by his personal representatives in whole or in part at any time following the Date of Grant.

5.2 An Option shall lapse on the earliest of the following events:

- (i) the seventh anniversary of the Date of Grant;
- (ii) the first anniversary of the Option Holder's death;
- (iii) where an Option Holder ceases to be a Group Employee other than by reason of death, six months following such cessation;
- (iv) the end of the periods of exercisability determined in accordance with Rule 6;
- (v) where the Option Holder is offered a New Option in consideration for the release of an Option pursuant to Rule 6.5 at the end of the period in which that company's offer may be accepted;
- (vi) the Option Holder being adjudicated bankrupt;
- (vii) the surrender of the Option by the Option Holder.

6. TAKE-OVERS, RECONSTRUCTIONS AND LIQUIDATIONS

6.1 If in circumstances other than a Merger any person not being a company under the same Control as the Company obtains Control of the Company as a result of making a general offer to acquire the whole of the issued share capital of the Company (other than that which is already owned by him) which is unconditional or which is made on a condition such that if it is satisfied the person making the offer will have Control of the Company then the Board shall notify all Option Holders as soon as is practicable of the offer in accordance with Rule 9.4 and any Subsisting Option shall lapse six months from the time when the person making the offer has obtained Control of the Company and any condition subject to which the offer is made has been satisfied.

6.2 If in circumstances other than a Merger any person not being a company under the same Control as the Company obtains Control of the Company other than as a result of the events specified in Rules 6.1 then the Board shall notify all Option Holders as soon as practicable after the change of Control in accordance with Rule 9.4 and any Subsisting Option shall lapse six months from the time when the person obtains Control of the Company.

6.3 If in circumstances other than a Merger under Section 425 of the Companies Act 1985 the Court sanctions a compromise or arrangement which affects the shares comprised within Units then the Board shall notify all Option Holders as soon as practicable after such compromise or arrangement is sanctioned in accordance with Rule 9.4 and any Subsisting Option shall lapse six months from the time the Court sanctions such compromise or arrangement.

- 6.4 If in circumstances other than a Merger any person becomes bound or entitled to acquire shares comprised within Units in the Company under sections 428 to 430 of the Companies Act 1985 any Subsisting Option shall remain exercisable at any time when that person remains so bound or entitled.
- 6.5 If as a result of the occurrence of one or more of the events specified in Rules 6.1, 6.2, 6.3 or 6.4 or as a result of a Merger a company whether or not under the same Control as the Company has obtained Control of the Company the Option Holder may, if the other company (the Acquiring Company) so agrees, release any Subsisting Option he holds in consideration for the grant of a New Option.
- A New Option issued in consideration of the release of an Option shall be evidenced by an Option Certificate which shall import the relevant provisions of these Rules.
- A New Option shall, for all other purposes of this Plan, be treated as having been acquired at the same time as the corresponding released Option.
- 6.6 If notice is duly given of a general meeting at which a resolution will be proposed for the voluntary winding-up of the Company, an Option shall be exercisable in whole or in part (but so that any exercise hereunder shall be conditional upon such resolution being passed) at any time thereafter until the resolution is duly passed or defeated or the general meeting is concluded or adjourned, whichever shall first occur. If such resolution is passed an Option shall to the extent unexercised thereupon lapse.
- 6.7 The date of lapse under Rule 5.2(iv) and (v) depends on whichever of the pre-conditions of Rules 6.1, 6.2, 6.3, 6.4, or 6.5 are first achieved. The subsequent achievement of any other pre-conditions will not cause a date of lapse to arise.
- 6.8 For the purpose of this Rule 6 a person shall be deemed to have obtained Control of a Company if he and others acting in concert with him have together obtained Control of it.
- 6.9 The exercise of an Option pursuant to the preceding provisions of this Rule 6 shall be subject to the provisions of Rule 8.
- 6.10 A New Option shall not be exercisable by virtue of the event pursuant to which it was granted.

7. VARIATION OF SHARE CAPITAL

- 7.1 In the event of any variation of the share capital of the Company, including, but without prejudice to the generality of the preceding words, any capitalisation or rights issue or any consolidation, sub-division, redemption or reduction of capital the definition of Unit and hence the class of shares comprising an Option and the number of shares subject to any Option may be adjusted by the Trustees in such manner as the Auditors confirm in writing to be, in their opinion, fair and reasonable. Where any preference shares of the same class as are comprised within a Unit are redeemed, the nature of the adjustment required to an Option and the cash sum, if any, payable to an Option Holder (to reflect the redemption of the appropriate proportion of the total shares comprised within each Unit) shall be determined by reference to the extent, if any, to which the Trustees apply the redemption proceeds they receive in the subscription for shares in the Company or such company as may acquire Control of the Company in consequence of any opportunity made available to the Trustees at the time of the redemption.

Such variation shall be deemed to be effective from the record date at which the respective variation applied to other shares of the same class as the shares comprised within the Units. Any Options exercised within that period shall be treated as exercised with the benefit of the variation confirmed by the Auditors.

7.2 The Trustees shall take such steps as it considers necessary to notify Option Holders of any adjustment made under Rule 7.1 and may call in, cancel, endorse, issue or reissue any Option Certificate consequent upon such adjustment. Any cash sum payable to an Option Holder as a result of a redemption of shares determined pursuant to Rule 7.1 shall be payable by the Trustees as soon as practicable after the redemption.

8. MANNER OF EXERCISE OF OPTIONS

8.1 An Option may be exercised in whole or in part by the Option Holder giving notice in writing to the Trustees detailing the number of Units in respect of which he wishes to exercise the Option accompanied by the relevant Option Certificate, and a payment of (Pounds)¹ and shall be effective on the date of its receipt by the Trustees.

8.2 Subject to Rule 8.6, the shares comprised within the Units specified in the notice of exercise given in accordance with Rule 8.1 shall be transferred to the Option Holder (or to a person nominated by the Option Holder) within 30 days of the date of exercise and the Trustees shall arrange for the delivery of evidence of title in respect thereof. Save for any rights determined by reference to a record date preceding the date of transfer, such shares shall rank pari passu with the other shares of the same class then in issue.

8.3 When an Option is exercised in part, the balance shall remain exercisable on the same terms as originally applied to the Option and a new Option Certificate in respect of the balance shall be issued by the Trustees as soon as possible after the partial exercise.

8.4 Where shares comprised within a Unit in respect of which an Option has been granted are or become listed on any Recognised Exchange, the Company shall apply for shares in respect of which an Option has been exercised to be so listed, if they were not so listed already.

8.5 Where shares comprised within a Unit are listed on any Recognised Exchange then no Option may be exercised in contravention of the terms of such securities transactions rules of the Recognised Exchange as may from time to time be in force.

8.6 If an Option is exercised and the Option Holder is liable to tax, duties or other amounts on such exercise and his employer or former employer being a member of the Group is liable to make a payment to the appropriate authorities on account of that liability the Option Holder shall make a payment to his employer or former employer equal to the amount which the employer or former employer is required to pay to the appropriate authorities. No shares comprised within a Unit shall be transferred to the Option Holder until the employer or former employer has received payment from the Option Holder. This rule 8.6 shall not apply if the Option Holder makes alternative arrangements to the satisfaction of his employer or former employer and the Trustees are informed by the employer or former employer that the arrangements are satisfactory.

9. ADMINISTRATION AND AMENDMENT

- 9.1 The Plan shall be administered by the Board whose decision on all disputes shall be final save where the Rules require the concurrence of the Auditors.
- 9.2 The approval of the Board and the Trustees is required to amend these Rules provided that no amendment may materially affect an Option Holder as regards an Option granted prior to the amendment being made.
- 9.3 The cost of establishing and operating the Plan shall be borne by any companies in the Group in such proportions as the Board shall determine.
- 9.4 Any notice or other communication under or in connection with the Plan may be given by the Board or the Trustees either personally or by post, and to the Board or the Trustees either personally or by post to the Secretary of the Board; items sent by post shall be pre-paid and shall be deemed to have been received 72 hours after posting.
- 9.5 The Trustees shall at all times keep available sufficient shares to satisfy the exercise to the full extent of all Subsisting Options, taking account of any other obligations of the Trust to transfer shares, provided that if an Option ceases to be exercisable under these Rules or where an agreement is reached to grant a New Option in accordance with Rule 6.5, the Trustees shall be free to deal with the shares comprised within Units which were subject to Option as they see fit, subject to the trust deed.

10. MISCELLANEOUS

- 10.1 The rights and obligations of any individual under the of his office or employment with any Group Company shall not be affected by his participation in the Scheme or any right which he may have to participate therein, and an individual who participates therein shall waive any and all rights to compensation or damages in consequence of the termination of his office or employment for any reason whatsoever insofar as those rights arise or may arise from his ceasing to have rights under or be entitled to exercise any Option under the Scheme as a result of such termination.

DATED 1998

CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD.

- AND -

CASTLE TRANSMISSION (TRUSTEES) LIMITED

Employee Benefit Trust

KPMG
1 Puddle Dock
London EC4V 3PD
CAS4.DOC

THIS TRUST DEED is made the day of 1998

BETWEEN: -

- (1) Castle Transmission Services (Holdings) Limited whose registered office is situate at Warwick Technology Park Gallows Hill Heathcote Lane Warwick CV34 6TN company number 3242381 ("the Company")
- (2) Castle Transmission (Trustees) Limited whose registered office is situated at Warwick Technology Park Gallows Hill Heathcote Lane Warwick CV34 6TN company number 3507483 ("the Original Trustee")

WHEREAS: -

- (A) The Company wishes to establish an employee share ownership trust to encourage and facilitate the holding of Shares by or for the benefit of Employees
- (B) The Group Companies intend to make cash contributions and/or loans and/or act as guarantor for loans made to the Trustees for the above purpose to be held in accordance with the terms of the Trust
- (C) It is intended that the Trustees will inter alia make awards pursuant to any Scheme and/or transfer Shares pursuant to any such Scheme
- (D) It is intended the Trust will be irrevocable and will be an "employees' share scheme" as defined in section 743 of the Companies Act 1985 and that section 75(6)(d) of the Financial Services Act 1986 and Section 86 of the Act will apply to the Trust
- (E) The Original Trustee is a Group Company

NOW THIS DEED WITNESSES AND IT IS HEREBY AGREED as follows:

- 1(a) In this Deed unless the context otherwise requires the following expressions have the following meanings respectively:

- | | |
|------------------------|--|
| "the Act" | means the Inheritance Tax Act 1984; |
| "Beneficiaries" | means Employees and former Employees and their Dependants; |
| "The Bonus Share Plan" | means the Castle Transmission Services (Holdings) Ltd Bonus Share Plan; |
| "Close Company" | means a company within the meaning of the Income and Corporation Taxes Act 1988 which is (or would be if resident in the United Kingdom) a close company for the purposes of that Act; |

"Dependants"	means wives, husbands, widows, widowers and children or step-children under the age of 18;
"Directors"	means the board of directors of the Company;
"Employees"	means employees and executive directors of any Group Company;
"Group Company"	means the Company and any company which is its subsidiary, its holding company or a subsidiary of its holding company. The definitions in section 736 of the Companies Act 1985 (as amended) apply for this purpose;
"Scheme"	means any employees' share scheme (as defined by section 743 of the Companies Act 1985) which any Group Company may from time to time establish and includes, where the context permits or requires the Bonus Share Plan;
"Shares"	means shares or debentures in any Group Company;
"Trust"	means the trust constituted by this document;
"Trustees"	means the Original Trustees or other the trustee or trustees for the time being of the Trust;
"Vesting Day"	means the earlier of: <ul style="list-style-type: none"> (i) the expiry of the period of 80 years less one day from the date hereof (the period of 80 years being the perpetuity period applicable for the purposes of the Perpetuities and Accumulations Act 1964 to the dispositions made by or pursuant to this deed); and (ii) such date as the Company appoints in writing (which date shall not be earlier than the date of such appointment);

(b) In this Trust, except insofar as the context otherwise requires:

- (i) words denoting the singular shall include the plural and vice versa;
- (ii) words importing a gender shall include every gender and references to a person shall include bodies corporate and unincorporated and vice versa;
- (iii) reference to any enactment shall be constructed as a reference to that enactment as from time to time amended, modified, extended or re-enacted and shall include any orders, regulations, instruments or other subordinate legislation made under the relevant enactment.

- 2 The Trust is made for the above purpose for the benefit of the Beneficiaries and shall be known as "The Castle Transmission Services (Holdings) Employee Benefit Trust".
- 3(a) The Trustees shall hold the sum of (Pounds)100 transferred by the Company to the Trustees on the date hereof (the receipt whereof the Trustees hereby acknowledge) and all such further sums or property transferred to them to be held upon the trusts of this deed and all accretions thereto whether by way of accumulation of income or otherwise and all money and property from time to time representing any of the foregoing ("the Trust Fund") upon trust to invest so much thereof as consists of money in any investment or asset authorised by this deed or by law and as to any part thereof not consisting of money upon trust to sell the same with power in the Trustees' absolute discretion to postpone sale and upon trust to reinvest the proceeds of sale in any such authorised investment or asset with like power to sell vary transpose or exchange the same until the Vesting Day.
- (b) The Trustees shall divide the Trust Fund into sub-funds so that all assets or sums contributed by any one Group Company and all income (if any) or other assets derived therefrom shall be allocated to a single sub-fund comprising only assets representing the contributions made by that same Group Company and the Beneficiaries of which for so long as such company is in existence shall be confined to the employees and former employees of such Group Company and their Dependants unless the Trustees and the relevant Group Company otherwise agree.
- 4(a) Subject to clause 3(b) the Trustees shall stand possessed of the Trust Fund and the income thereof upon trust to pay or apply the same to or for the benefit or advancement of the Beneficiaries or any one or more of them exclusive of the other or others of them at such times and in such shares and in such manner as the Trustees shall in their absolute discretion think fit PROVIDED THAT the Trustees may in their absolute discretion from time to time accumulate the whole or any part of any income and shall hold such accumulations as an accretion to the capital of the Trust Fund save that if an individual makes a gift to the Trust the Trustees must not accumulate any income arising from the subject matter of the gift or the property from time to time representing it following the expiry of 21 years from the date of such gift or following the Vesting Day if earlier.
- (b) Subject as aforesaid and to clause 3(b) on the Vesting Day the Trustees shall hold the capital and income of the Trust Fund upon trust for such of the Beneficiaries as are living on the Vesting Day and in such shares (if more than one) as the Trustees shall in their absolute discretion by irrevocable deed appoint and subject to and in default of such appointment in equal shares absolutely and subject the foregoing IN TRUST absolutely for such charities as the Trustees shall in their absolute discretion think fit
- PROVIDED THAT no power conferred by this clause 4 or by clause 5 shall authorise any payment transfer sale or advance to a Beneficiary or the trustees of another trust if any of the Employees excluded from benefit pursuant to clause 7 would or might benefit from the same in any circumstances save where the proviso to clause 7(c) applies.
- 5 The Trustees shall without prejudice to all powers conferred upon them by law have the powers set out in Schedule 1 hereto (provided that no such power shall be exercised in a manner inconsistent with

the terms of this Trust) and without prejudice to the generality of such powers the Trustees shall subject to clause 3(b) also have the following additional powers:

- a) to invest the Trust Fund in Shares either by way of subscription or purchase and deal with the Shares in any way permitted by the Trust and in making such investments they shall not be obliged to have regard to:
 - (i) whether the acquisition represents a prudent financial investment; or
 - (ii) whether the Shares produce or are likely to produce income; or
 - (iii) whether the Shares are being acquired at the most advantageous price or on the most advantageous terms.
- b) to grant options over Shares or other assets comprised in the Trust Fund to any Beneficiary either for nothing or for an amount agreed by the Beneficiary (which need not be market value) or otherwise on such terms as the Trustees shall in their absolute discretion think fit.
- c) to transfer Shares to any Beneficiary either for nothing or for an amount agreed by the Beneficiary (which need not be market value) and on such terms as the Trustees shall in their absolute discretion determine including (without limitation) the transfer of Shares to Beneficiaries in satisfaction of options granted by the Company pursuant to any Scheme.
- d) to make grants or loans to any Beneficiary on any terms with a view to that Beneficiary acquiring Shares or for any or no specific purpose.
- e) to enter into put and/or call option arrangements with any person in respect of Shares on such terms as the Trustees shall in their absolute discretion think fit.
- f)
 - (i) to bind themselves to provide particular benefits in the future so far as the assets in the Trust Fund permit;
 - (ii) to agree or adopt rules setting out the way in which they will exercise their powers;
 - (iii) to establish or co-operate in the establishment of Schemes for providing benefits to Beneficiaries.
- g) to transfer all or any part of the Trust Fund to the trustees of any other settlement to be held by them on the trusts applicable to capital monies comprised in such settlement if such transfer would not infringe the rule against perpetuities and if the provisions of such other settlement shall in the opinion of the Trustees be such that such transfer would be beneficial to the persons whom it is thereby sought to benefit.
- h) to transfer Shares at such prices as the Trustees shall in their absolute discretion determine.
- i) to enter into an agreement with any Group Company (so as to bind the Trust Fund) that, if that Group Company shall at any time by notice direct the Trustees to transfer to any Beneficiary any number of Shares in respect of which such Beneficiary shall have validly exercised an option granted under a Scheme, the Trustees shall (to the extent that such Shares

are available in the Trust Fund) transfer to such Beneficiary such Shares in consideration of the payment to the Trustees of the exercise price.

6 The Trustees may apply any monies or other funds received by them or in their hands in any of the following ways:

- (a) in the acquisition of Shares or in the payment of any outstanding costs charges and expenses of and incidental to the preparation operation or determination of this Trust or any Scheme in accordance with clause 15;
- (b) in or towards repayment of the principal of or payment of the interest (if any) on any loan from any Group Company or any other person;
- (c) in payment to or for the benefit of any Beneficiary

PROVIDED THAT if there shall from time to time be monies or other funds available after the application of monies and other funds in the ways set out in (a) to (c) above such monies or other funds may be advanced by way of loan evidenced by a debenture (within the meaning of paragraph 20(4) of Schedule 1 to the Financial Services Act 1986) to any Group Company on such terms as the Trustees shall in their absolute discretion think fit and subject thereto such money or other funds shall be held by the Trustees on a non-interest-bearing bank current account and the Trustees shall not be liable to any person for any loss to the Trust as a result direct or indirect of this proviso the exercise of any discretion thereunder or the holding of money or other funds or a non interest bearing bank current account.

7(a) When a Group Company is a Close Company no person may benefit under the Trust if this would result in a charge to inheritance tax under section 72 of the Act unless the Company, the relevant Group Company (if different) and the person concerned first agree in writing.

(b) If the Trustees accept from a Group Company which is a Close Company a loan or contribution or other disposition which is or would apart from clause 7(b)(i) hereof be a transfer of value for inheritance tax purposes:

(i) the Trustees shall hold it on the terms of the Trust only if before they accept it all the persons who are or who may be liable under section 202 of the Act for any inheritance tax chargeable on the transfer of value agree in writing; otherwise

(ii) the Trustees shall hold it on the terms of the Trust except that no person may benefit under the Trust if the benefit would prevent section 13(1) of the Act from applying to the loan or contribution or other disposition.

(c) Notwithstanding any other provision of this Trust no part of the Trust Fund or the income thereof shall be applied at any time for the benefit of a person falling within section 13(2) (and not section 13(3)) of the Act whilst any Group Company is a Close Company PROVIDED THAT this clause 7(c) shall not affect the power of the Trustees to make a payment which is the income of such a person for any of the purposes of United Kingdom income tax or would be so if he were resident in the United Kingdom.

- (d) The Trustees shall be entitled to rely without further enquiry on all information supplied to them by any Group Company.
- 8(a) The Trustees hereby waive any rights to receive dividends (or any part thereof) in respect of Shares and shall not be liable for any loss to the Trust Fund (for so long as such Shares remain in the beneficial ownership of the Trustees) as a result of such waiver [save that this waiver shall not extend to the full amount of any such dividends declared so that the Trustees shall remain entitled to receive up to 0.01 pence per Share]. The Group Companies to which this deed applies agree to accept this waiver and to act in compliance with it PROVIDED THAT the Company may instruct the Trustees in writing to accept a particular dividend or dividends paid on the Shares comprised in the Trust Fund in whole or in part in which case the waiver in relation to the specified dividend or dividends shall not apply.
- (b) The Trustees may vote or abstain from voting Shares or accept or reject any offer relating to Shares in any way they see fit without incurring any liability and without being required to give reasons for their decision. They may take the following matters into account:
- (i) the longer term interests of the Beneficiaries;
 - (ii) interests of the Beneficiaries other than financial interests;
 - (iii) interests of the Beneficiaries in their capacity as Employees or former Employees or their Dependants;
 - (iv) interest of persons (whether or not identified) who may become Beneficiaries in the future.
- 9 Notwithstanding any other provision of this Trust:
- (i) no assets or income of the Trust Fund shall be applied at any time for the benefit of any Group Company other than to repay any loan and interest thereon made to the Trustees by a Group Company; and
- 10 If a person other than a Group Company makes a gift to the Trust or transfers assets to the Trust otherwise than on bona fide commercial terms with gratuitous intent then the Trustees may not provide any benefit under the Trust to that person nor during that person's lifetime to his or her spouse.
- 11 The Trust shall vest on the Vesting Day in accordance with clause 4 and the Trustees shall not accept any more assets on or after the Vesting Day.
- 12(a) The Company may at any time and from time to time with the consent of the Trustees by irrevocable deed amend modify or add to all or any of the provisions of the Trust and in particular but without prejudice to the generality of the foregoing the Company may modify the Trust so as to exclude any person from the class of Beneficiaries who would otherwise qualify (but not so as to leave no member of the class or so as to prejudice any prior benefit received from the Trust by such a person), to reinstate any person so excluded and to add new beneficiaries provided that:
- (i) the proviso to clause 4(b), clauses 7 and 13 and this clause 12 may not be altered;

- (ii) no alteration may be made which would prevent the Trust being an employees' share scheme as defined in the Companies Act 1985 or would prevent section 86 of the Act or section 75(6)(d) of the Financial Services Act 1986 applying to the Trust;
 - (iii) the perpetuity period applicable to the Trust may not be altered if this would make the Trust void under the rule against perpetuities;
 - (iv) clauses 9 and 10 may not be altered so as to allow the Trustees to provide any benefit to any Group Company or any other person who or which has contributed money or property to the Trust or is otherwise a settlor of the Trust for UK tax purposes;
 - (v) the power conferred by this clause 12 may not be exercised and shall not be exercised in such a manner if to do so would result in the Trust being void.
- (b) A Group Company not being the Company shall become bound by the provisions of this Deed if it makes a contribution to the Trust Fund pursuant to clause 3(b) above and shall cease to be bound by this Deed with effect from the date it ceases to be a Group Company.
- 13 No power herein shall be exercised by the Trustees in such a way as to cause the trusts hereof not to comply with the provisions of section 86 of the Act, section 743 of the Companies Act 1985 and section 75(6)(d) of the Financial Services Act 1986 and insofar as any power is purportedly exercised in such a way that purported exercise shall be invalid and ineffective.
- 14(a) This clause 14 applies where a Beneficiary is liable to tax, duties or other amounts on the payment or transfer of any property to the Beneficiary and either his employer or former employer being a Group Company or the Trustees would be liable to make a payment to the appropriate authorities on account of that liability.
- (b) The Trustees shall not make any payment or transfer any property to any Beneficiary unless:
- (i) the Beneficiary has made a payment to his employer or former employer or the Trustees equal to the amount which the employer or former employer or Trustees are required to pay to the appropriate authorities; or
 - (ii) alternative arrangements are specified in the Scheme rules or agreed between the Trustees and the Beneficiary whereby the liability for tax, duties or other amounts will be satisfied.
- (c) The Trustee shall, to the extent that they have withheld or received amounts from the Beneficiaries in accordance with sub-clause (b) above, account for such amounts to the employer or former employer being a Group company or, at such company's request, to the appropriate authorities.
- 15 All costs charges and expenses of and incidental to the preparation operation and determination of the trusts hereof (including any stamp duty payable by and remuneration of the Trustees) shall be payable by the Group Companies bound by the provisions of this Deed if and to the extent that there is insufficient money comprised in the Trust Fund when the same are due and payable in such proportion as they shall inter se agree having regard to the circumstances.

- 16(a) The Company may at any time by irrevocable deed or deeds and without any other formality:-
- (i) remove any person from the office of Trustee;
 - (ii) accept the resignation of any person as a Trustee; or
 - (iii) appoint a new or additional Trustee.
- (b) Subject to sub-clause (c) below, the minimum number of Trustees shall be two unless a company is a Trustee hereof in which event the company may be may act as sole Trustee hereof.
- (c) On the retirement of a Trustee he shall be entitled to be discharged by deed from the trusts hereof notwithstanding that following his retirement there will be a sole continuing Trustee which is not a company but the Company shall in such latter event forthwith appoint an additional Trustee.
- (d) A person may be appointed to be a trustee hereof notwithstanding that such person is not resident in the United Kingdom and remaining out of the United Kingdom for more than 12 months shall not be a ground for the removal of a Trustee.
- 17(a) Every Trustee shall be answerable only for losses arising from his own fraud or wilful default or neglect and shall not be answerable for any act neglect or default of his co-Trustee (unless he knew of or participated in the same) and any Trustee who shall pay over to his co-Trustee or do any act or thing or make any omission enabling such co-Trustee to receive any moneys or other property for the purpose of these trusts shall not be bound to see to their due application or be subsequently rendered liable by any express notice of the misapplication of any such moneys or property nor shall the Trustees be liable for any neglect or default of any solicitor accountant banker valuer or other agent employed by the Trustees.
- (b) The Company shall keep the Trustees (and their estates where applicable) indemnified against any loss or deficiency incurred by it in connection with the Trust and against any claims liabilities and demands arising out of anything lawfully done or caused or omitted to be done by them in the exercise of the powers and discretion vested in them by this deed or otherwise arising howsoever out of or in connection with the administration and operation of the Trust but so that no Trustee shall be indemnified in respect of any fraud or wilful default on his part or in the case of a Trustee engaged in the business of providing a trustee service for a fee his negligence.
- (c) In addition the Trustees shall have the benefit of all indemnities conferred upon trustees generally by law and by the Trustee Act 1925.
- 18 Any Trustee who shall be or become a director of or holder of any other office or employment within the Group may retain for his own absolute benefit any fees or remuneration received by him in connection with such office or employment notwithstanding that his appointment to or retention of such office or employment may be directly or indirectly due to the exercise or non-exercise of any votes in respect of Shares held by the Trustees or other persons on their behalf under the trusts hereof.
- 19(a) Any Trustee (and any director or officer of a body corporate or a trust corporation acting as Trustee) shall not on his own account be precluded from acquiring holding or dealing with any Shares or any other company in the shares of which any Group Company may be interested or from entering into any contract or transaction with a view thereto and nor shall he be in any way liable to account to any

Group Company or any Beneficiary for any profits made fees commissions shares of brokerage discounts allowed or advantages obtained by him from or in connection with such acquisition holding dealing contract or transaction.

- (b) No officer or employee of the Trustees shall be liable to account to any Beneficiary for any remuneration or other benefit received in connection with the trusts hereof and no Trustee or officer or employee of the Trustees shall be liable to account to other Beneficiaries for any profit derived from the appointment of the whole or part of the Trust Fund.
- 20 Any individual Trustee shall be entitled to receive and retain as remuneration for his services hereunder such sum or sums as the Directors may from time to time vote and pay to him therefor and in particular but without prejudice to the generality of the foregoing any Trustee being a solicitor accountant stockbroker or other person engaged in any profession or business shall be entitled to be paid all usual professional or other proper charges for business transacted time expended or acts done by him or any employee or partner of his firm in connection with these trusts including acts which a Trustee not being in any profession or business could have done personally. Any Trustee being a body corporate (whether or not a trust corporation) may charge and be paid such reasonable remuneration or charges as shall from time to time be agreed in writing between the Company and such body corporate and any such body corporate (being a bank) shall be entitled (without accounting for any resultant profit) to act as banker and perform any services in relation to these trusts on the same terms as would be made with a customer in the ordinary course of its business as a banker.
- 21(a) The Trustees may meet together for the despatch of business adjourn and otherwise regulate their meetings as they think fit and may determine the quorum necessary for the transaction of business. Until so fixed and unless a company shall for the time being be the sole Trustee hereof the quorum shall be two. Questions arising at any meeting shall be decided by a majority of votes and in case of any equality of votes the Chairman of the meeting (who shall be elected by the meeting) shall have a second or casting vote.
- (b) A resolution in writing signed by all the Trustees for the time being shall be as valid and effectual as a resolution passed at a meeting of the Trustees. Such resolution may be contained in one document or in several documents in like form each signed by one or more of the Trustees for the time being.
- (c) A meeting of the Trustees at which a quorum is present shall be competent to exercise all the powers and discretion exercisable by the Trustees generally.
- (d) The Trustees shall cause proper minutes to be kept and entered in a book provided for the purpose of all their resolutions and proceedings and any such minutes of any meeting of the Trustees if purporting to be signed by the Chairman of such meeting or by the Chairman of the next succeeding meeting shall be admissible as prima facie evidence of the matters stated in such minutes.
- (e) The Trustees shall keep adequate and proper accounts of all moneys and other property comprised in and all transactions affecting these trusts and shall once at least in every year cause such accounts to be made up and audited by qualified accountants approved by the Company and shall submit such accounts to the Company.
- (f) The Trustees shall prepare and keep all such documents and records as may be required for the purpose of the Trust.

- (g) The Trustees may place any documents of title for the time being in their possession in connection with the trusts hereof in any bank or safe deposit and shall not be responsible for any loss incurred by their so doing.
 - (h) The Trustees may in any particular case or cases in their sole discretion decide not to commence proceedings for the recovery of any moneys due to them whether from any Beneficiary or his legal personal representatives or any other party and shall not be responsible for any loss incurred by their so doing.
 - (i) Valid and effectual receipts and discharges for any moneys or other property payable transferable or deliverable to the Trustees or any of them may be given by any one Trustee or by any person from time to time authorised in writing for the purpose by the Trustees.
 - (j) The Trustees may from time to time appoint and remunerate for the proper administration and management of these trusts such secretarial or executive officers or staff or other persons as they consider desirable and the Company approves.
- 22(a) The proper law of the Trust shall be that of England and Wales and all rights hereunder and its construction and effect shall be subject to the jurisdiction of and construed according to the laws of England and Wales.
- (b) The Courts of England and Wales shall be the forum for the administration of these Trusts.
- 23 It is hereby confirmed by the parties hereto that this instrument falls within category L in the Schedule to the Stamp Duty (Exempt Instruments) Regulations 1987.

IN WITNESS whereof this document has been duly executed as a deed and has been duly delivered on the day and year first before written.

EXECUTED as a DEED by)
Castle Transmission Services (Holdings) Ltd.)
acting by:)

	Director

	Director/Secretary
EXECUTED as a DEED by)
Castle Transmission (Trustees) Limited)
acting by:)

	Director

	Director/Secretary

SCHEDULE ONE

The Trustees shall have the following powers:

- 1 Power to acquire and hold or dispose of any property (tangible or intangible, movable or immovable), whether or not it produces income and whether involving liabilities or not and the Trustees shall not be under a duty to diversify the investments of the Trust Fund;
- 2 Power to transfer the whole or any part of the Trust Fund to nominees on such terms as to remuneration or otherwise as the Trustees may think fit and the trustees shall not be liable for any loss resulting from the proper use of this power;
- 3 Power to enter into any contract or incur any obligation;
- 4 Power to borrow money or other property on any terms for any purposes (including acquiring assets) from any person or persons;
- 5 Power to grant any mortgage or charge over or give any right of recourse against any of or all of the Trust Fund;
- 6 Power to insure assets of the Trust Fund for any amount against any risk and any moneys received under such assurance may be applied in the replacement of any such asset and any premiums may be paid out of the Trust Fund;
- 7 Power to delegate all powers duties or discretion conferred hereby or by law to any person or persons and on any terms;
- 8 Power to give warranties indemnities and undertakings in connection with the disposal of any Shares comprised in the Trust Fund;
- 9 Power to enter into any agreement in relation to shares debentures or securities comprised in the Trust Fund or arrangement for the variations of rights attaching thereto or to enter into a scheme for the reconstruction or amalgamation of any company whose shares debentures or securities are comprised in the Trust Fund and power to exercise all voting and other rights conferred by such shares debentures or securities in such manner as they shall deem fit;
- 10 Power to leave the management and conduct of the affairs and business of any company the shares or securities of which are comprised in the Trust Fund (including the payment or non-payment of dividends) to the directors of such company without being under a duty to interfere with the management of such company;
- 11 Power to lend any money comprised in the Trust Fund to any Beneficiary on such terms and conditions as they shall in their absolute discretion think fit provided that no such loan shall be made upon terms that repayment may be made after the Vesting Day;
- 12 Power in any case where the Trustees are hereby or by law directed or empowered to apply any income or capital of the Trust Fund for the benefit of any Beneficiary who is an infant (instead of themselves so applying the same) to pay or transfer the same to any parent or guardian of such infant

(whose receipt shall be a good discharge to them) without being liable to see to the due application by such parent or guardian;

- 13 Power to enter into any indemnity in favour of any former Trustees or other person or persons in respect of any tax or other liability arising out of these trusts and power to charge or deposit any property comprised in the Trust Fund as security for such indemnity;
- 14 Power to pay all taxes arising out of these trusts which may be assessed on them whether or not by reason of the residence of the person assessed or otherwise the assessment shall be unenforceable;
- 15 Power to disclose such information about such matters to such persons as they may think fit PROVIDED THAT they shall not do so to persons other than professional advisers and Group Companies without the prior consent in writing of the Company;
- 16 Power to compromise any disputes affecting the Trust Fund or to submit the same to arbitration and to compromise or compound any debts owing to the Trustees or any other claim against them upon such evidence and such terms as shall reasonably seem sufficient to the Trustees;
- 17 Power to appropriate any property from time to time comprised in the Trust Fund in or towards satisfaction of the beneficial interest of any Beneficiary and for the purpose of such appropriation the Trustees shall have power to ascertain and fix the value of such property in all respects as they shall in their absolute discretion think fit and every appropriation and valuation made pursuant to this power shall be binding on all persons then or thereafter interested hereunder;
- 18 Power generally to have and to exercise all the powers of an absolute beneficial owner in respect of assets comprised in the Trust Fund including without limitation power to exercise all voting and other rights in respect of Shares in such manner as they shall deem fit;

CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD.

UNAPPROVED SHARE OPTION SCHEME

ADOPTED BY THE BOARD OF CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD. ON 23
JANUARY 1998

KPMG Tax Advisers
1 PUDDLE DOCK
LONDON
EC4V 3PD

REF: CAS2.DOC2
DATE: 23 JANUARY 1998

RULES OF THE CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD. UNAPPROVED SHARE
OPTION SCHEME

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Appendix 1 Letter of Grant

Appendix 2 Option Certificate and Notice of Exercise

RULES OF THE CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD. UNAPPROVED SHARE
OPTION SCHEME

1 DEFINITIONS

1.1 In these Rules the following words and expressions shall have, where the context so admits, the following meanings:

- "Act" - the Income and Corporation Taxes Act 1988;
- "Adoption Date" - the date on which the Scheme is adopted by the Board;
- "Auditors" - the auditors for the time being of the Company (acting as experts and not as arbitrators);
- "Board" - the board of directors of the Company or the Committee at which a quorum is present;
- "Committee" - a duly constituted committee of the Board;
- "Company" - Castle Transmission Services (Holdings) Ltd. registered in England No 3242381 or save for Rules 2 and 7.2 such company as shall be at any time the Acquiring Company as defined in Rule 4.5;
- "Control" - as described in section 416 or section 840 of the Act;
- "Date of Grant" - the date on which an Option is, was or is to be granted to an Eligible Employee under the Scheme, pursuant to Rule 2.1, or on which an Option is or was treated as being granted pursuant to Rule 2.3;

- "Eligibility Date" - 1st March 1997 or, if the Option Holder was not an Eligible Employee on that date, the Date of Grant;
- "Eligible Employee" - any director or employee of any Group Company;
- "Exercise Conditions" - any conditions imposed pursuant to Rule 2.2;
- "Exercise Price" - the price as determined by the Board at which an Eligible Employee may acquire a Unit on the exercise of an Option being, subject to Rule 2.3 and Rule 5, not less than the aggregate nominal value of the underlying shares;
- "Group" - the Company and its Subsidiaries and the phrase "Group Company" shall be construed accordingly;
- "Letter of Grant" - the letter in the form set out in Appendix I or in such form as the Board may determine from time to time;
- "Merger" - the acquisition of Control of the Company by Castle Tower Holding Corporation (a Delaware corporation) or a company under the Control of or having Control of that company;
- "New Option" - an option over shares in the Acquiring Company (as defined in Rule 4.5) granted in consideration of the release of a Subsisting Option;
- "Notice of Exercise" - the notice of exercise in the form set out in Appendix II or in such form as the Board may determine from time to time;
- "Option" - a right to acquire Units granted or to be granted pursuant to Rules 2.1 or 2.3;

- "Option Certificate" - the option certificate in the form set out in Appendix II or in such form as the Board may determine from time to time;
- "Option Holder" - a person who has been granted an Option or (where the context admits) his legal personal representative(s);
- "Recognised Exchange" - a recognised stock exchange within the meaning of section 841 of the Act or a recognised investment exchange within the meaning of the Financial Services Act 1986;
- "Rules" - the rules of the Scheme as the same may be amended from time to time;
- "this Scheme" - this Castle Transmission Services (Holdings) Ltd. Unapproved Share Option Scheme constituted and governed by the Rules;
- "Subsidiary" - a company which is under the Control of the Company and is a subsidiary of the Company within the meaning of section 736 of the Companies Act 1985;
- "Subsisting Option" - an Option which has been granted and which has not lapsed, been surrendered, renounced or exercised in full;
- "Unit" - subject to Rule 5.1, a stapled shareholding comprising one ordinary share of 1p and nine hundred and ninety-nine redeemable preference shares of 1p each in the capital of the Company or, where a New Option has been granted or is to be granted pursuant to Rule 2.3, a share in the capital of the Acquiring Company;

1.2 In these Rules, except insofar as the context otherwise requires:

- (i) words denoting the singular shall include the plural and vice versa;
- (ii) words importing a gender shall include every gender and references to a person shall include bodies corporate and unincorporated and vice versa;
- (iii) reference to any enactment shall be construed as a reference to that enactment as from time to time amended, modified, extended or re-enacted and shall include any orders, regulations, instruments or other sub-ordinate legislation made under the relevant enactment; and
- (iv) headings and captions are provided for reference only and shall not be considered as part of the Scheme.

2. GRANT OF OPTIONS

- 2.1 The Board may select any number of individuals who shall at the intended Date of Grant be Eligible Employees and grant them Options at any time or times after the Adoption Date but not later than the tenth anniversary of the Adoption Date.
- 2.2 In granting an Option pursuant to Rule 2.1 the Board may impose any objective condition and/or limitation upon the exercise of such Option whether such condition and/or limitation is imposed when the Option is granted or subsequent to the grant. Any condition and/or limitation imposed or to be imposed and the timeframe within which a condition can be imposed subsequent to grant shall be:
- (i) set out in the Option Certificate or in a schedule referred to in the Option Certificate; and
 - (ii) such that rights to exercise such Option after the fulfilment or attainment of any conditions and/or limitations so specified or to be specified shall not be subsequently dependent upon the further discretion of any person.
- 2.3 Where the circumstances noted in Rule 4.5 apply New Options may be granted in consideration for the release of Options previously granted under this Scheme. Such New Options are deemed to be equivalent to the old Options and to have been granted within the terms of this Scheme.
- 2.4 No Option may be transferred, assigned or charged and any purported transfer, assignment or charge shall be void ab initio. Each Option Certificate shall carry a statement to this effect. For the avoidance of doubt, this Rule 2.4 shall not prevent the Option of a deceased Option Holder being exercised by his personal representative(s) within the terms of these Rules.
- 2.5 Options shall be granted by deed and shall be evidenced by the issue of a Letter of Grant to Eligible Employees specifying the Date of Grant, the number of Units subject to Option, the Exercise Price and any Exercise Conditions. The Option Certificate shall be sent to the Option Holder together with a Letter of Grant as soon as practicable after the Date of Grant.

3. EXERCISE OF OPTIONS

3.1 Subject to each of the rules of this Rule 3 and Rule 6 below any Subsisting Option may be exercised by the Option Holder or, if deceased, by his personal representatives in whole or in part at the time of or at any time following the occurrence of the earliest of the following events:

- (i) the third anniversary of the Eligibility Date;
- (ii) the death of the Option Holder on or after 28th February 1998;
- (iii) upon the Option Holder ceasing to be a director or employee of the Group on or after 28th February 1998 other than by reason of the Option Holder (having been at the date of such cessation a director or employee of the Group for a continuous period of less than five years since 28 February 1997 and the Board not making a resolution in accordance with 5.7(b) of the Company's articles of association on the date of such cessation) giving notice to the Company or any of its subsidiaries of his intention to terminate his employment or the termination of the Option Holder's employment with the Company or any of its subsidiaries in circumstances involving a repudiatory breach by the Option Holder of his employment contract or in circumstances which would entitle the Company or, as the case may be, any subsidiary summarily to terminate his employment without notice;
- (iv) an opportunity to exercise the Option pursuant to Rule 4;
- (v) upon the Option Holder ceasing to be a director or employee of the Group on or after 28th February 1998 where that cessation was by reason either of the company or companies of which he was employed ceasing to be a Group Company or of the office of employment relating to a business or part of a business which is transferred to a person who is not a Group Company;

3.2 An Option may only be exercised if the Exercise Conditions have been satisfied unless the Board decide otherwise.

- 3.3 The Board may in exceptional circumstances not otherwise provided for in these Rules invite all Option Holders to exercise their Options at any time following the Date of Grant. Where exercise is thereby permitted, it shall take place to such extent and within such period as the Board shall specify but in exercising this discretion the Board will not discriminate between individual Option Holders.
- 3.4 An Option shall lapse and become thereafter incapable of exercise on the earliest of the following events:
- (i) the seventh anniversary of the Date of Grant or such earlier date specified by the Board at the Date of Grant;
 - (ii) immediately upon the Board notifying the Option Holder that the Exercise Condition has not been satisfied unless at that same time the Board notify the Option Holder that the circumstances are such that the Board consider the Option should remain exercisable;
 - (iii) the first anniversary of an Option Holder's death where death occurs on or after 28th February 1998;
 - (iv) six months after an Option is first exercisable pursuant to Rule 3.1 (iii) and (v);
 - (v) immediately upon the Option Holder ceasing to be a director or employee of the Group in circumstances where the Option is not exercisable pursuant to Rule 3.1 (ii), (iii) or (v);
 - (vi) the end of the period of exercisability determined in accordance with Rule 4;
 - (vii) where the Option Holder is offered a New Option in consideration for the release of an Option pursuant to Rule 4.5 at the end of the period in which that company's offer may be accepted;
 - (viii) the Option Holder being adjudicated bankrupt;
 - (ix) the surrender of the Option by the Option Holder.

4. TAKE-OVERS, RECONSTRUCTIONS, LIQUIDATIONS AND OPTION EXCHANGES

- 4.1 If in circumstances other than a Merger any person not being a company under the same Control as the Company obtains Control of the Company as a result of making a general offer to acquire the whole of the issued share capital of the Company (other than that which is already owned by him) which is unconditional or which is made on a condition such that if it is satisfied the person making the offer will have Control of the Company then the Board shall notify all Option Holders as soon as is practicable of the offer in accordance with Rule 7.4. Any Subsisting Option may be exercised from the date of the receipt of that notification up to the expiry of a period ending six months from the time when the person making the offer has obtained Control of the Company and any condition subject to which the offer is made has been satisfied.
- 4.2 If in circumstances other than a Merger any person not being a company under the same Control as the Company obtains Control of the Company other than as a result of the events specified in Rule 4.1 then the Board shall notify all Option Holders as soon as practicable after the change of Control in accordance with Rule 7.4. Any Subsisting Option may be exercised from the date of the receipt of that notification up to the expiry of a period ending six months from the time when the person obtains Control of the Company.
- 4.3 If in circumstances other than a Merger under Section 425 of the Companies Act 1985 the Court sanctions a compromise or arrangement which affects the shares comprised within Units any Subsisting Option may be exercised within six months of the Court sanctioning such compromise or arrangement.
- 4.4 If in circumstances other than a Merger any person becomes bound or entitled to acquire shares in the Company under sections 428 to 430 of the Companies Act 1985 any Subsisting Option may be exercised at any time when that person remains so bound or entitled.
- 4.5 If as a result of the occurrence of one or more of the events specified in Rules 4.1, 4.2, 4.3 or 4.4 or as a result of a Merger a company whether or not under the same Control as the Company has obtained Control of the Company the Option Holder may, if the other company (the Acquiring Company) so agrees, release any Subsisting Option he holds in consideration for the grant of a New Option.

A New Option issued in consideration of the release of an Option shall be evidenced by an Option Certificate which shall import the relevant provisions of these Rules.

A New Option shall, for all other purposes of this Scheme, be treated as having been acquired at the same time as the corresponding released Option.

- 4.6 If notice is duly given of a general meeting at which a resolution will be proposed for the voluntary winding-up of the Company, an Option shall be exercisable in whole or in part (but so that any exercise hereunder shall be conditional upon such resolution being passed) at any time thereafter until the resolution is duly passed or defeated or the general meeting is concluded or adjourned, whichever shall first occur. If such resolution is passed an Option shall to the extent unexercised thereupon lapse.
- 4.7 The periods of exercisability under Rule 3.1(iv) and the date of lapse under Rule 3.4(vi) and (vii) are those of whichever of the pre-conditions of Rules 4.1, 4.2, 4.3, 4.4, or 4.5 are first achieved. The subsequent achievement of any other pre-conditions will not cause a period of exercisability to begin nor a date of lapse to arise.
- 4.8 For the purpose of this Rule 4 a person shall be deemed to have obtained Control of a Company if he and others acting in concert with him have together obtained Control of it.
- 4.9 The exercise of an Option pursuant to the preceding provisions of this Rule 4 shall be subject to the provisions of Rule 6.
- 4.10 A New Option shall not be exercisable by virtue of the event pursuant to which it was granted.

5. VARIATION OF SHARE CAPITAL

- 5.1 In the event of any variation of the share capital of the Company, including, but without prejudice to the generality of the preceding words, any capitalisation or rights issue or any consolidation, sub-division, redemption or reduction of capital the definition of Unit and hence the class of shares comprised within an Option, the number of Units or shares subject to any Option and the Exercise Price may be adjusted by the Board in such manner as the Auditors confirm in writing to be, in their

opinion, fair and reasonable provided that the Exercise Price for each Unit subject to an Option is not reduced below the nominal value of the underlying shares unless (and to the extent that) the Company is authorised to capitalise from its undistributed profits or reserves upon the exercise of such Option an amount equal to the difference between the aggregate Exercise Price and the aggregate nominal value of the underlying shares to be issued upon such exercise and to apply such sum in paying up the difference;

Such variation shall be deemed to be effective, from the record date at which the respective variation applied to other shares of the same class as the shares comprised within the Units. Any Options exercised within that period shall be treated as exercised with the benefit of the variation confirmed by the Auditors.

- 5.2 The Board shall take such steps as it considers necessary to notify Option Holders of any adjustment made under Rule 5.1 and may call in, cancel, endorse, issue or reissue any Option Certificate consequent upon such adjustment.

6. MANNER OF EXERCISE OF OPTIONS

- 6.1 Subject to Rule 6.6 an Option shall be exercised in whole or in part by the Option Holder or, as the case may be, his personal representatives giving notice in writing to the Board by the appropriate Notice of Exercise detailing the number of Units in respect of which he wishes to exercise the Option accompanied by the appropriate payment and the relevant Option Certificate and shall be effective on the date of its receipt by the Board.
- 6.2 Subject to Rule 6.6 where an Option is exercised, the number of shares comprised within the Units specified in the Notice of Exercise given in accordance with Rule 6.1 shall be allotted and issued credited as fully paid to the Option Holder within 30 days of the date of exercise and the Company shall arrange for the delivery of evidence of title in respect thereof. Save for any rights determined by reference to a record date preceding the date of allotment, such shares shall rank pari passu with the other shares of the same class then in issue.
- 6.3 When an Option is exercised in part, the balance shall remain exercisable on the same terms as originally applied to the Option and a new Option Certificate in respect of the balance shall be issued by the Company as soon as possible after the partial exercise.
- 6.4 Where shares comprised within a Unit in respect of which an Option has been granted are or become listed on any Recognised Exchange, the Company shall apply for shares in respect of which an Option has been exercised to be so listed, if they were not so listed already.
- 6.5 Where shares comprised within a Unit are listed on any Recognised Exchange then no Option may be exercised in contravention of the terms of such securities transactions rules of the Recognised Exchange as may from time to time be in force.
- 6.6 If an Option is exercised and the Option Holder is liable to tax, duties or other amounts on such exercise and his employer or former employer being a Group Company is liable to make a payment to the appropriate authorities on account of that liability the Option Holder shall make a payment to his employer or former employer equal to the amount which the employer or former employer is required to pay to the appropriate authorities. No shares comprised within a Unit shall be allotted to the Option Holder until the employer has received payment from the Option Holder. This Rule 6.6

shall not apply if the Option Holder makes alternative arrangements to the satisfaction of his employer or former employer and the Company is informed by the employer or former employer that the arrangements are satisfactory.

7. ADMINISTRATION AND AMENDMENT

- 7.1 The Scheme shall be administered by the Board whose decision on all disputes shall be final save where the Rules require the concurrence of the Auditors.
- 7.2 The Board may from time to time amend these Rules provided that no amendment may materially affect an Option Holder as regards an Option granted prior to the amendment being made.
- 7.3 The cost of establishing and operating the Scheme shall be borne by the Group Companies in such proportions as the Board shall determine.
- 7.4 Any notice or other communication under or in connection with the Scheme may be given by the Board either personally or by post, and to the Board either personally or by post to the Secretary of the Board; items sent by post shall be pre-paid and shall be deemed to have been received 72 hours after posting.
- 7.5 The Company shall at all times keep available sufficient authorised and unissued shares to satisfy the exercise to the full extent of all Subsisting Options, taking account of any other obligations of the Company to issue unissued shares of the same class as are comprised within Units.

8. LOSS OF OFFICE OR EMPLOYMENT

The rights and obligations of any individual under the terms of his office or employment with any Group Company shall not be affected by his participation in the Scheme or any right which he may have to participate therein, and an individual who participates therein shall waive any and all rights to compensation or damages in consequence of the termination of his office or employment for any reason whatsoever insofar as those rights arise or may arise from his ceasing to have rights under or be entitled to exercise any Option under the Scheme as a result of such termination.

RIGHTS AGREEMENT dated as of _____, 1998, between CROWN CASTLE INTERNATIONAL CORP., a Delaware corporation (the "Company"), and CHASEMELLON SHAREHOLDER SERVICES, L.L.C., as Rights Agent (the "Rights Agent").

The Board of Directors of the Company has authorized and declared a dividend of one Right (as hereinafter defined) for each share of Common Stock, par value \$.01 per share, of the Company (the "Common Stock") and each share of Class A Common Stock, par value \$.01 per share, of the Company (the "Class A Common Stock") outstanding at the Close of Business (as hereinafter defined) on the date hereof (the "Record Date"), and has authorized the issuance of one Right (as such number may hereafter be adjusted pursuant to the provisions of this Rights Agreement) with respect to each Common Share that shall become outstanding between the Record Date and the earliest of the Distribution Date, the Redemption Date or the Expiration Date (as such terms are hereinafter defined); provided, however, that Rights may be issued with respect to Common

Shares that shall become outstanding after the Distribution Date and prior to the earlier of the Redemption Date or the Expiration Date in accordance with the provisions of Section 23. Each Right shall initially represent the right to purchase one one-thousandth (1/1,000th) of a share of Series A Participating Cumulative Preferred Stock, par value \$.01 per share, of the Company (the "Preferred Shares"), having the powers, rights and preferences set forth in the Certificate of Designation attached as [Exhibit A].

Accordingly, in consideration of the premises and the mutual agreements herein set forth, the parties hereby agree as follows:

SECTION 1. Certain Definitions. For purposes of this Rights

Agreement, the following terms have the meanings indicated:

"Acquiring Person" shall mean any Person who or which, alone or

together with all Affiliates and Associates of such Person, shall be the Beneficial Owner of more than 15% of the Voting Securities then outstanding, but shall not include (a) the Company, any Subsidiary of the Company, any employee benefit or compensation plan of the Company or of any of its Subsidiaries, or any Person holding Voting Securities for or pursuant to the terms of any such employee benefit or compensation plan and (b) any such Person who has

become and is the Beneficial Owner of more than 15% of the Voting Securities then outstanding solely as the result of (i) a change in the aggregate number of Voting Securities outstanding since the last date on which such Person acquired Beneficial Ownership of any Voting Securities, (ii) the acquisition by such Person or one or more of its Affiliates or Associates of Beneficial Ownership of additional Voting Securities if such acquisition was made in the good faith belief that such acquisition would not (A) cause the Beneficial Ownership by such Person, together with its Affiliates and Associates, to exceed 15% of the Voting Securities outstanding at the time of such acquisition and such good faith belief was based on the good faith reliance on information contained in publicly filed reports or documents of the Company that are inaccurate or out-of-date or (B) otherwise cause a Distribution Date or the adjustment provided for in Section 11(a) to occur, or (iii) the acquisition by such Person or one or more of its Affiliates or Associates of Beneficial Ownership of additional Voting Securities if the Board of Directors of the Company determines that such acquisition was made in good faith without the knowledge by such Person or Affiliates or Associates that such Person would thereby become an Acquiring Person, which determination of the Board of Directors of the Company shall be conclusive and binding on such Person, the Rights Agent, the holders of the Rights and all other Persons; provided that no member of the TDF Group shall be

 deemed an Acquiring Person if (x) during the period from the date of this Agreement up to and including the fifth anniversary of this Agreement, the TDF Group Interest shall not exceed 25% of the Voting Securities then outstanding, provided that if the Board elects to increase such percentage to 30%, such TDF Group Interest shall not exceed 30% of the Voting Securities then outstanding or (y) after the fifth anniversary of this Agreement, the TDF Group Interest shall not exceed the lesser of (1) 25% or 30%, as applicable, of the Voting Securities then outstanding and (2) the greater of (A) the TDF Group Interest at and as of the fifth anniversary of this Agreement and (B) 15% of the Voting Securities then outstanding (the TDF Group Interest under (x) or (y), as applicable, the "Relevant TDF Percentage"); provided further that no member of the Berkshire

 Group shall be deemed an Acquiring Person if the Berkshire Group Interest does not exceed the greater of (a) []%, the amount of the Berkshire Group Interest on the date hereof which is equal to []%, reduced by an amount equal to any disposition of Voting Securities by any member of the Berkshire Group following the date hereof and (b) 15% of the Voting Securities then outstanding (the Berkshire Group Interest under (a) and (b), the "Relevant Berkshire Percentage"). Notwithstanding clause (b)(ii) or (b)(iii) of

the prior sentence, if any Person that is not an Acquiring Person solely by reason of such clause (b)(ii) or (b)(iii) does not reduce its percentage of Beneficial Ownership of Voting Securities to 15% or less by the Close of Business on the tenth calendar day after notice from the Company (the date of notice being the first day) that such Person's Beneficial Ownership of Voting Securities would make it an Acquiring Person, such Person shall, at the end of such ten calendar day period, become an Acquiring Person (and such clause (b)(ii) or (b)(iii) shall no longer apply to such Person). For purposes of this definition, the determination whether any Person acted in "good faith" shall be conclusively determined by the Board of Directors of the Company.

"Affiliate" and "Associate", when used with reference to any Person, -----

shall have the respective meanings ascribed to such terms in Rule 12b-2 of the General Rules and Regulations under the Exchange Act, as in effect on the date of this Rights Agreement.

A Person shall be deemed the "Beneficial Owner" of, and shall be -----

deemed to "beneficially own", and shall be deemed to have "Beneficial Ownership" -----

of, any securities:

(a) which such Person or any of such Person's Affiliates or Associates is deemed to "beneficially own" within the meaning of Rule 13d-3 of the General Rules and Regulations under the Exchange Act, as in effect on the date of this Rights Agreement;

(b) which such Person or any of such Person's Affiliates or Associates has: (i) the right to acquire (whether such right is exercisable immediately or only after the passage of time) pursuant to any agreement, arrangement or understanding (written or oral), or upon the exercise of conversion rights, exchange rights, rights (other than the Rights), warrants or options, or otherwise; provided, however, that a Person shall -----

not be deemed under clause (i) to be the Beneficial Owner of, or to beneficially own, or to have Beneficial Ownership of, any securities tendered pursuant to a tender or exchange offer made by or on behalf of such Person or any of such Person's Affiliates or Associates until such tendered securities are accepted for purchase or exchange thereunder or cease to be subject to withdrawal by the tendering security holder; or (ii) the right to vote pursuant to any agreement, arrangement or understanding (written or oral); provided, however, that a Person shall not be deemed -----

under this clause (ii) to be the Beneficial Owner of,

or to beneficially own, or to have Beneficial Ownership of, any security if (A) the agreement, arrangement or understanding (written or oral) to vote such security arises solely from a revocable proxy or consent given to such Person in response to a public proxy or consent solicitation made generally to all holders of Common Shares of the Company pursuant to, and in accordance with, the applicable rules and regulations under the Exchange Act and (B) the beneficial ownership of such security is not also then reportable on Schedule 13D under the Exchange Act (or any comparable or successor report); or

(c) which are beneficially owned, directly or indirectly, by any other Person with which such Person or any of such Person's Affiliates or Associates has any agreement, arrangement or understanding (written or oral) for the purpose of acquiring, holding, voting (except pursuant to a revocable proxy as described in the proviso to clause (b)(ii) of this definition) or disposing of any securities of the Company.

Notwithstanding the foregoing, nothing contained in this definition shall cause a Person ordinarily engaged in business as an underwriter of securities to be deemed the "Beneficial Owner" of, or to "beneficially own", or to have "Beneficial Ownership" of, any securities acquired in a bona fide firm commitment underwriting pursuant to an underwriting agreement with the Company.

"Berkshire Group" shall mean Berkshire Fund III, A Limited

Partnership, Berkshire Investors LLC, Berkshire Fund IV, Limited Partnership, their Affiliates and their respective partners and members, collectively.

"Berkshire Group Interest" shall mean the percentage of Voting Power

that is controlled, directly or indirectly, by the Berkshire Group.

"Book Value", when used with reference to Common Shares issued by any

Person, shall mean the amount of equity of such Person applicable to each Common Share, determined (a) in accordance with generally accepted accounting principles in effect on the date as of which such Book Value is to be determined, (b) using all the consolidated assets and all the consolidated liabilities of such Person on the date as of which such Book Value is to be determined, except that no value shall be included in such assets for goodwill arising from consummation of a business combination, and (c) after giving effect to (i) the exercise of all rights, options and warrants to purchase such Common Shares (other

than, in the case of the Company, the Rights), and the conversion of all securities convertible into such Common Shares, at an exercise or conversion price, per Common Share, which is less than such Book Value before giving effect to such exercise or conversion (whether or not exercisability or convertibility is conditioned upon occurrence of a future event), (ii) all dividends and other distributions on the capital stock of such Person declared prior to the date as of which such Book Value is to be determined and to be paid or made after such date, and (iii) any other agreement, arrangement or understanding (written or oral), or transaction or other action contemplated prior to the date as of which such Book Value is to be determined that would have the effect of thereafter reducing such Book Value.

"Business Combination" shall have the meaning set forth in Section

11(c)(i).

"Business Day" shall mean each Monday, Tuesday, Wednesday, Thursday

and Friday that is not a day on which banking institutions in the Borough of Manhattan, the City of New York, are authorized or obligated by law or executive order to close.

"Certificate of Designation" shall mean the Certificate of Designation

of Series A Participating Cumulative Preferred Stock setting forth the powers, preferences, rights, qualifications, limitations and restrictions of such series of Preferred Stock of the Company, a copy of which is attached as Exhibit A.

"Class A Common Stock" shall have the meaning set forth in the

introductory paragraph of this Rights Agreement.

"Close of Business" on any given date shall mean 5:00 p.m., Eastern

time, on such date; provided, however, that, if such date is not a Business Day,

"Close of Business" shall mean 5:00 p.m., Eastern time, on the next succeeding Business Day.

"Common Shares", when used with reference to the Company prior to a

Business Combination, shall mean the shares of Common Stock and Class A Common Stock of the Company or any other shares of capital stock of the Company into which the Common Stock or Class A Common Stock shall be reclassified or changed. "Common Shares", when used with reference to any Person (other than the Company prior to a Business Combination), shall mean shares of capital stock of such Person (if such Person is a corporation) of any class

or series, or units of equity interests in such Person (if such Person is not a corporation) of any class or series, the terms of which do not limit (as a maximum amount and not merely in proportional terms) the amount of dividends or income payable or distributable on such class or series or the amount of assets distributable on such class or series upon any voluntary or involuntary liquidation, dissolution or winding up of such Person and do not provide that such class or series is subject to redemption at the option of such Person, or any shares of capital stock or units of equity interests into which the foregoing shall be reclassified or changed.

"Common Stock" shall have the meaning set forth in the introductory paragraph of this Rights Agreement.

"Company" shall have the meaning set forth in the heading of this Rights Agreement; provided, however, that if there is a Business Combination, "Company" shall have the meaning set forth in Section 11(c)(iii).

The term "control" with respect to any Person shall mean the power to direct the management and policies of such Person, directly or indirectly, by or through stock ownership, agency or otherwise, or pursuant to or in connection with an agreement, arrangement or understanding (written or oral) with one or more other Persons by or through stock ownership, agency or otherwise; and the terms "controlling" and "controlled" shall have meanings correlative to the foregoing.

"Distribution Date" shall have the meaning set forth in Section 3(b).

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended, as in effect on the date in question, unless otherwise specifically provided.

"Exchange Consideration" shall have the meaning set forth in Section 11(b)(i).

"Expiration Date" shall have the meaning set forth in Section 7(a).

"Governance Agreement" shall mean the Governance Agreement, dated as of [], 1998, among the Company, TDF and Digital Future Investments B.V.

"Major Part", when used with reference to the assets of the Company and its Subsidiaries as of any date, shall mean assets (a) having a fair market value aggregating

50% or more of the total fair market value of all the assets of the Company and its Subsidiaries (taken as a whole) as of the date in question, (b) accounting for 50% or more of the total value (net of depreciation and amortization) of all the assets of the Company and its Subsidiaries (taken as a whole) as would be shown on a consolidated or combined balance sheet of the Company and its Subsidiaries as of the date in question, prepared in accordance with generally accepted accounting principles then in effect, or (c) accounting for 50% or more of the total amount of earnings before interest, taxes, depreciation and amortization or of the revenues of the Company and its Subsidiaries (taken as a whole) as would be shown on, or derived from, a consolidated or combined statement of income or net earnings of the Company and its Subsidiaries for the period of 12 months ending on the last day of the Company's monthly accounting period next preceding the date in question, prepared in accordance with generally accepted accounting principles then in effect.

"Market Value", when used with reference to the Company, shall mean

the average of the daily closing prices, per share, of the Common Stock for the period which is the shorter of (a) 30 consecutive Trading Days ending on the Trading Day immediately prior to the date in question or (b) the number of consecutive Trading Days beginning on the Trading Day immediately after the date of the first public announcement of the event requiring a determination of the Market Value of Common Stock and ending on the Trading Day immediately prior to the record date of such event; provided, however, that, in the event that the

Market Value of such Common Stock is to be determined in whole or in part during a period following the announcement by the issuer of such Common Stock of any action of the type described in Section 12(a) that would require an adjustment thereunder, then, and in each such case, the Market Value of such Common Stock shall be appropriately adjusted to reflect the effect of such action on the market price of such Common Stock, and "Market Value", when used with reference to any Person other than the Company, shall mean the Common Shares of such Person on any date and each of the foregoing references to "Common Stock" shall, when used with reference to such Person, be deemed to be a reference to the Common Shares of such Person. The closing price for each Trading Day shall be the closing price quoted on the composite tape for securities listed on the New York Stock Exchange, or, if such securities

are not quoted on such composite tape or if such securities are not listed on such exchange, on the principal United States securities exchange registered under the Exchange Act (or any recognized foreign stock exchange) on which such securities are listed, or, if such securities are not listed on any such exchange, the closing price quoted on The Nasdaq Stock Market or, if such securities are not so quoted, the average of the closing bid and asked quotations with respect to a share of such securities on any National Association of Securities Dealers, Inc. quotations system or such other system then in use, or if no such quotations are available, the average of the closing bid and asked prices as furnished by a professional market maker making a market in such securities selected by the Board of Directors of the Company, or if on any such Trading Day no market maker is making a market in such securities, the closing price of such securities on such Trading Day shall be deemed to be the fair value of such securities as determined in good faith by the Board of Directors of the Company (whose determination shall be described in a statement filed with the Rights Agent and shall be binding on the Rights Agent, the holders of Rights and all other Persons); provided, however, that for the

purpose of determining the closing price of the Preferred Shares for any Trading Day on which there is no such market maker for the Preferred Shares the closing price on such Trading Day shall be deemed to be the Formula Number (as defined in the Certificate of Designation) multiplied by the closing price per share of the Common Stock of the Company on such Trading Day.

"Person" shall mean an individual, corporation, partnership, limited liability company, joint venture, association, trust, unincorporated organization or other entity.

"Preferred Shares" shall have the meaning set forth in the introductory paragraph of this Rights Agreement. Any reference in this Rights Agreement to Preferred Shares shall be deemed to include any authorized fraction of a Preferred Share, unless the context otherwise requires.

"Principal Party" shall mean the Surviving Person in a Business Combination; provided, however, that, (i) if such Surviving Person is a direct or indirect Subsidiary of any other Person, "Principal Party" shall mean the Person which is the ultimate parent of such Surviving Person and which is not itself a Subsidiary of another Person, and (ii) in the event ultimate control of such Surviving Person is shared by two or more Persons, "Principal Party" shall mean that Person that is immediately controlled by such two or more Persons.

"Purchase Price" with respect to each Right shall mean \$110, as such amount may from time to time be adjusted

as provided herein, and shall be payable in lawful money of the United States of America. All references herein to the Purchase Price shall mean the Purchase Price as in effect at the time in question.

"Record Date" shall have the meaning set forth in the introductory

paragraph of this Rights Agreement.

"Redemption Date" shall have the meaning set forth in Section 24(a).

"Redemption Price" with respect to each Right shall mean \$.01, as such

amount may from time to time be adjusted in accordance with Section 12. All references herein to the Redemption Price shall mean the Redemption Price as in effect at the time in question.

"Registered Common Shares" shall mean Common Shares that are, as of

the date of consummation of a Business Combination, and have continuously been for the 12 months immediately preceding such date, registered under Section 12 of the Exchange Act.

"Right Certificate" shall mean a certificate evidencing a Right in

substantially the form attached as [Exhibit B].

"Rights" shall mean the rights to purchase Preferred Shares (or other

securities) as provided in this Rights Agreement.

"Securities Act" shall mean the Securities Act of 1933, as amended, as

in effect on the date in question, unless otherwise specifically provided.

"Senior Preferred Stock" shall mean the Senior Convertible Preferred

Stock of the Company, par value \$.01 per share.

"Subsidiary" shall mean a Person, at least a majority of the total

outstanding voting power (being the power under ordinary circumstances (and not merely upon the happening of a contingency) to vote in the election of directors of such Person (if such Person is a corporation) or to participate in the management and control of such Person (if such Person is not a corporation)) of which is owned, directly or indirectly, by another Person or by one or more other Subsidiaries of such other Person or by such other Person and one or more other Subsidiaries of such other Person.

"Surviving Person" shall mean (a) the Person which is the continuing

 or surviving Person in a consolidation or merger specified in Section 11(c)(i)(A) or 11(c)(i)(B) or (b) the Person to which the Major Part of the assets of the Company and its Subsidiaries is sold, leased, exchanged or otherwise transferred or disposed of in a transaction specified in Section 11(c)(i)(C); provided, however, that, if the Major Part of the assets of the

 Company and its Subsidiaries is sold, leased, exchanged or otherwise transferred or disposed of in one or more related transactions specified in Section 11(c)(i)(C) to more than one Person, the "Surviving Person" in such case shall mean the Person that acquired assets of the Company and/or its Subsidiaries with the greatest fair market value in such transaction or transactions.

"TDF" shall mean TeleDiffusion de France International S.A.

"TDF Group" shall mean TDF and its Affiliates (other than the Company and its Subsidiaries).

"TDF Group Interest" shall mean the percentage of Voting Power that is

 controlled, directly or indirectly, by the TDF Group or would be controlled, directly or indirectly, by the TDF Group (assuming the exercise by TDF of any warrants held by the TDF Group to purchase Common Shares of the Company).

"Trading Day" shall mean a day on which the principal national

 securities exchange (or principal recognized foreign stock exchange, as the case may be) on which any securities or Rights, as the case may be, are listed or admitted to trading is open for the transaction of business or, if the securities or Rights in question are not listed or admitted to trading on any national securities exchange (or recognized foreign stock exchange, as the case may be), a Business Day.

"Voting Power", when used with reference to any class or series of

 securities of the Company, or any classes or series of securities of the Company entitled to vote together as a single class or series, shall mean the power of such class or series (or such classes or series) to vote for the election of directors. For purposes of determining the percentage of Voting Power of any class or series (or classes or series) beneficially owned by any person, any securities not outstanding which are subject to conversion rights, exchange rights, rights, warrants, options or similar securities held by such person shall be deemed to be outstanding for the purpose of computing the percentage of

outstanding securities of the class or series (or classes or series) beneficially owned by such person, but shall not be deemed to be outstanding for the purpose of computing the percentage of the class or series (or classes or series) beneficially owned by any other person.

"Voting Securities", when used with reference to the Company shall

mean any securities of the Company having Voting Power or any securities convertible into or exchangeable for any securities having Voting Power, including but not limited to the Common Stock, the Class A Common Stock and the Senior Preferred Stock.

SECTION 2. Appointment of Rights Agent. The Company hereby appoints

the Rights Agent to act as agent for the Company in accordance with the terms and conditions hereof, and the Rights Agent hereby accepts such appointment. The Company may from time to time appoint one or more co-Rights Agents as it may deem necessary or desirable (the term "Rights Agent" being used herein to refer, collectively, to the Rights Agent together with any such co-Rights Agents). In the event the Company appoints one or more co-Rights Agents, the respective duties of the Rights Agent and any co-Rights Agents shall be as the Company shall determine.

SECTION 3. Issue of Rights and Right Certificates. (a) One Right

shall be associated with each Common Share outstanding on the Record Date, each additional Common Share that shall become outstanding between the Record Date and the earliest of the Distribution Date, the Redemption Date or the Expiration Date and each additional Common Share with which Rights are issued after the Distribution Date but prior to the earlier of the Redemption Date or the Expiration Date as provided in Section 23; provided, however, that, if the

number of outstanding Rights are combined into a smaller number of outstanding Rights pursuant to Section 12(a), the appropriate fractional Right determined pursuant to such Section shall thereafter be associated with each such Common Share.

(b) Until the earlier of (i) such time as the Company learns that a Person has become an Acquiring Person or (ii) the Close of Business on such date, if any, as may be designated by the Board of Directors of the Company following the commencement of, or first public disclosure of an intent to commence, a tender or exchange offer by any Person (other than the Company, any Subsidiary of the Company, any employee benefit or compensation plan of the Company or of any of its Subsidiaries, or any Person holding Voting Securities for or pursuant to the terms of any such

employee benefit or compensation plan) for outstanding Voting Securities, if upon consummation of such tender or exchange offer such Person could be the Beneficial Owner of more than 15% of the outstanding Voting Securities, or in the case of any such offer by the TDF Group or the Berkshire Group, as applicable, if the TDF Group or the Berkshire Group could be, upon consummation of such offer, the Beneficial Owner of more than the Relevant TDF Percentage or the Relevant Berkshire Percentage, applicable, (the Close of Business on the earlier of such dates being the "Distribution Date"), (x) the Rights shall be evidenced by the certificates for Common Shares registered in the names of the holders thereof and not by separate Right Certificates, (y) the Rights, including the right to receive Right Certificates, shall be transferable only in connection with the transfer of Common Shares and (z) the Company shall notify the Rights Agent as promptly as practicable that the Distribution Date has occurred. As soon as practicable after the Distribution Date, the Rights Agent shall send, by first-class, postage-prepaid mail, to each record holder of Common Shares as of the Distribution Date, at the address of such holder shown on the records of the Company, a Right Certificate evidencing one whole Right for each Common Share (or for the number of Common Shares with which one whole Right is then associated if the number of Rights per Common Share held by such record holder has been adjusted in accordance with the proviso in Section 3(a)). If the number of Rights associated with each Common Share has been adjusted in accordance with the proviso in Section 3(a), at the time of distribution of the Right Certificates the Company may make any necessary and appropriate rounding adjustments so that Right Certificates representing only whole numbers of Rights are distributed and cash is paid in lieu of any fractional Right in accordance with Section 15(a). The Company shall notify the Rights Agent as promptly as practicable of any such adjustments. As of and after the Distribution Date, the Rights shall be evidenced solely by such Right Certificates.

(c) With respect to any certificate for Common Shares outstanding as of the Record Date, until the earliest of the Distribution Date, the Redemption Date or the Expiration Date, (i) the Rights associated with the Common Shares represented by any such certificate shall be evidenced by such certificates for the Common Shares and the registered holders of the Common Shares shall also be the registered holders of the associated Rights and (ii) the surrender for transfer of any such certificate, shall also constitute the transfer of the Rights associated with the Common Shares represented thereby; provided, however, -----

 that the Rights associated with shares of Class A Common Stock

shall be deemed null and void upon surrender of any certificate representing Class A Common Stock for conversion into shares of Common Stock or upon an automatic conversion of the Class A Common Stock into Common Stock pursuant to the terms of such Class A Common Stock (it being understood that any Common Stock issued upon any conversion of Class A Common Stock shall be issued with the associated Rights).

(d) Certificates issued for Common Shares after the Record Date (including upon transfer or exchange of outstanding Common Shares), but prior to the earliest of the Distribution Date, the Redemption Date or the Expiration Date, shall have printed on, written on or otherwise affixed to them the following legend:

This certificate also evidences and entitles the holder hereof to certain Rights as set forth in a Rights Agreement dated as of [MONTH][DAY], 1998 as it may be amended from time to time (the "Rights Agreement"), between Crown Castle International Corp. (the "Company") and ChaseMellon Shareholder Services, L.L.C., as Rights Agent (the "Rights Agent"), the terms of which are hereby incorporated herein by reference and a copy of which is on file at the principal executive offices of the Company. Under certain circumstances, as set forth in the Rights Agreement, such Rights shall be evidenced by separate certificates and shall no longer be evidenced by this certificate. The Rights Agent shall mail to the holder of this certificate a copy of the Rights Agreement without charge after receipt of a written request therefor. Rights beneficially owned by Acquiring Persons or their Affiliates or Associates (as such terms are defined in the Rights Agreement) and by any subsequent holder of such Rights are null and void and nontransferable.

Notwithstanding this Section 3(d), neither the omission of a legend nor the inclusion of a legend that makes reference to a rights agreement other than the Rights Agreement shall affect the enforceability of any part of this Rights Agreement or the rights of any holder of Rights.

SECTION 4. Form of Right Certificates. The Right Certificates (and

the form of election to purchase and form of assignment to be printed on the reverse side thereof) shall be in substantially the form set forth as Exhibit B and may have such marks of identification or designation and such legends, summaries or endorsements printed thereon as the Company may deem appropriate and as are not inconsistent with the provisions of this Rights Agreement, or as may be required to comply with any applicable law or with any rule

or regulation made pursuant thereto or with any rule or regulation of any stock exchange on which the Rights may from time to time be listed, or to conform to usage. Subject to the provisions of Sections 7, 11 and 23, the Right Certificates, whenever issued, shall be dated as of the Distribution Date, and on their face shall entitle the holders thereof to purchase such number of Preferred Shares as shall be set forth therein for the Purchase Price set forth therein, subject to adjustment from time to time as herein provided.

SECTION 5. Execution, Countersignature and Registration. (a) The

 Right Certificates shall be executed on behalf of the Company by the Chairman of the Board, the Chief Executive Officer, the President, the Chief Financial Officer, a Vice President (whether preceded by any additional title), the Treasurer or the Secretary of the Company, either manually or by facsimile signature, and have affixed thereto the Company's seal or a facsimile thereof, which shall be attested by the Secretary, an Assistant Secretary or a Vice President (whether preceded by any additional title, provided that such Vice President shall not have also executed the Right Certificates) of the Company, either manually or by facsimile signature. The Right Certificates shall be manually countersigned by the Rights Agent and shall not be valid or obligatory for any purpose unless so countersigned. In case any officer of the Company who shall have signed any of the Right Certificates shall cease to be such an officer of the Company before countersignature by the Rights Agent and issuance and delivery by the Company, such Right Certificates may nevertheless be countersigned by the Rights Agent and issued and delivered by the Company with the same force and effect as though the person who signed such Right Certificates had not ceased to be such an officer of the Company; and any Right Certificate may be signed on behalf of the Company by any person who, at the actual date of execution of such Right Certificate, shall be a proper officer of the Company to sign such Right Certificate, although at the date of execution of this Rights Agreement any such person was not such an officer of the Company.

(b) Following the Distribution Date, the Rights Agent shall keep or cause to be kept, at its principal office in [], books for registration and transfer of the Right Certificates issued hereunder. Such books shall show the names and addresses of the respective holders of the Right Certificates, the number of Rights evidenced by each of the Right Certificates, the certificate number of each of the Right Certificates and the date of each of the Right Certificates.

SECTION 6. Transfer, Split-Up, Combination and Exchange of Right

 Certificates; Mutilated, Destroyed, Lost or Stolen Right Certificates;

 Uncertificated Rights. (a) Subject to the provisions of Sections 7(e) and 15,

at any time after the Distribution Date, and at or prior to the Close of Business on the earlier of the Redemption Date or the Expiration Date, any Right Certificate or Right Certificates may be transferred, split-up, combined or exchanged for another Right Certificate or Right Certificates representing, in the aggregate, the same number of Rights as the Right Certificate or Right Certificates surrendered then represented. Any registered holder desiring to transfer, split-up, combine or exchange any Right Certificate shall make such request in writing delivered to the Rights Agent and shall surrender the Right Certificate or Right Certificates to be transferred, split-up, combined or exchanged at the principal office of the Rights Agent; provided, however, that

 neither the Rights Agent nor the Company shall be obligated to take any action whatsoever with respect to the transfer of any Right Certificate surrendered for transfer until the registered holder shall have completed and signed the certification contained in the form of assignment on the reverse side of such Right Certificate and shall have provided such additional evidence of the identity of the Beneficial Owner (or former Beneficial Owner) or Affiliates or Associates thereof as the Company or the Rights Agent shall reasonably request. Thereupon the Rights Agent shall, subject to Sections 7(e) and 15, countersign and deliver to the Person entitled thereto a Right Certificate or Right Certificates, as the case may be, as so requested. The Company may require payment of a sum sufficient to cover any tax or governmental charge that may be imposed in connection with any transfer, split-up, combination or exchange of Right Certificates.

(b) Upon receipt by the Company and the Rights Agent of evidence reasonably satisfactory to them of the loss, theft, destruction or mutilation of a valid Right Certificate, and, in case of loss, theft or destruction, of indemnity or security reasonably satisfactory to them, and, at the Company's request, reimbursement to the Company and the Rights Agent of all reasonable expenses incidental thereto, and upon surrender to the Rights Agent and cancelation of the Right Certificate if mutilated, the Company shall make a new Right Certificate of like tenor and deliver such new Right Certificate to the Rights Agent for delivery to the registered owner in lieu of the Right Certificate so lost, stolen, destroyed or mutilated.

(c) Notwithstanding any other provision hereof, the Company and the Rights Agent may amend this Rights Agreement to provide for uncertificated Rights in addition to or in place of Rights evidenced by Right Certificates.

SECTION 7. Exercise of Rights; Expiration Date of Rights. (a)

 Subject to Section 7(e) and except as otherwise provided herein (including Section 11), each Right shall entitle the registered holder thereof, upon exercise thereof as provided herein, to purchase for the Purchase Price, at any time after the Distribution Date and at or prior to the earliest of (i) the Close of Business on the 10th anniversary of the date of this Rights Agreement (the Close of Business on such date being the "Expiration Date") and (ii) the Redemption Date, one one-thousandth (1/1,000th) of a Preferred Share, subject to adjustment from time to time as provided in Sections 11 and 12.

(b) The registered holder of any Right Certificate may exercise the Rights evidenced thereby (except as otherwise provided herein) in whole or in part at any time after the Distribution Date, upon surrender of the Right Certificate, with the form of election to purchase on the reverse side thereof duly executed, to the Rights Agent at the principal office of the Rights Agent in [], together with payment of the Purchase Price for each one one-thousandth (1/1,000th) of a Preferred Share as to which the Rights are exercised, at or prior to the earlier of (i) the Expiration Date or (ii) the Redemption Date.

(c) Upon receipt of a Right Certificate representing exercisable Rights, with the form of election to purchase duly executed, accompanied by payment of the Purchase Price for the Preferred Shares to be purchased together with an amount equal to any applicable transfer tax, in lawful money of the United States of America, in cash or by certified check or money order payable to the order of the Company, the Rights Agent shall thereupon (i) either (A) promptly requisition from any transfer agent of the Preferred Shares (or make available, if the Rights Agent is the transfer agent) certificates for the number of Preferred Shares to be purchased and the Company hereby irrevocably authorizes its transfer agent to comply with all such requests or (B) if the Company shall have elected to deposit the Preferred Shares with a depository agent under a depository arrangement, promptly requisition from the depository agent depository receipts representing the number of one one-thousandths (1/1,000s) of a Preferred Share to be purchased (in which case certificates for the Preferred Shares to be represented by such receipts shall be deposited by the transfer agent with the depository agent) and the

Company shall direct the depositary agent to comply with all such requests, (ii) when appropriate, promptly requisition from the Company the amount of cash to be paid in lieu of issuance of fractional shares in accordance with Section 15, (iii) promptly after receipt of such certificates or depositary receipts, cause the same to be delivered to or upon the order of the registered holder of such Right Certificate, registered in such name or names as may be designated by such holder and (iv) when appropriate, after receipt promptly deliver such cash to or upon the order of the registered holder of such Right Certificate.

(d) In case the registered holder of any Right Certificate shall exercise fewer than all the Rights evidenced thereby, a new Right Certificate evidencing Rights equivalent to the Rights remaining unexercised shall be issued by the Rights Agent and delivered to the registered holder of such Right Certificate or to his duly authorized assigns, subject to the provisions of Section 15.

(e) Notwithstanding anything in this Rights Agreement to the contrary, any Rights that are at any time beneficially owned by (i) an Acquiring Person or an Affiliate or Associate of an Acquiring Person, (ii) a transferee of an Acquiring Person (or of any such Associate or Affiliate) who becomes a transferee after the Acquiring Person becomes such (other than pursuant to the penultimate sentence of the definition of "Acquiring Person"), or (iii) a transferee of an Acquiring Person (or of any such Associate or Affiliate) who becomes a transferee prior to or concurrently with the Acquiring Person becoming such and receives such Rights pursuant to either (A) a transfer (whether or not for consideration) from the Acquiring Person to holders of equity interests in such Acquiring Person or to any Person with whom the Acquiring Person has any continuing agreement, arrangement or understanding regarding the transferred Rights or (B) a transfer which the Board of Directors of the Company has determined is part of a plan, arrangement or understanding which has as a primary purpose or effect the avoidance of this Section 7(e), shall become null and void without any further action and no holder of such Rights shall have any rights whatsoever with respect to such Rights, whether under any provision of this Rights Agreement or otherwise. The Company shall use all reasonable efforts to ensure that the provisions of this Section 7(e) are complied with, but shall have no liability to any holder of any Right Certificate or any other Person as a result of its failure to make any determinations with respect to an Acquiring Person or its Affiliate or Associate, or any transferee thereof, hereunder.

(f) Notwithstanding anything in this Rights Agreement to the contrary, neither the Rights Agent nor the Company shall be obligated to undertake any action with respect to a registered holder of any Right Certificate upon the occurrence of any purported exercise as set forth in this Section 7 unless such registered holder shall have (i) completed and signed the certificate contained in the form of election to purchase set forth on the reverse side of the Right Certificate surrendered for such exercise and (ii) provided such additional evidence of the identity of the Beneficial Owner (or former Beneficial Owner) or Affiliates or Associates thereof as the Company shall reasonably request.

(g) The Company may temporarily suspend, for a period of time not to exceed 90 calendar days after the Distribution Date, the exercisability of the Rights in order to prepare and file a registration statement under the Securities Act, on an appropriate form, with respect to the Preferred Shares purchasable upon exercise of the Rights and permit such registration statement to become effective; provided, however, that no such suspension shall remain effective after, and the Rights shall without any further action by the Company or any other Person become exercisable immediately upon, the effectiveness of such registration statement. Upon any such suspension, the Company shall issue a public announcement stating that the exercisability of the Rights has been temporarily suspended and shall issue a further public announcement at such time as the suspension is no longer in effect. Notwithstanding any provision herein to the contrary, the Rights shall not be exercisable in any jurisdiction if the requisite qualification under the blue sky or securities laws of such jurisdiction shall not have been obtained or the exercise of the Rights shall not be permitted under applicable law.

SECTION 8. Cancellation and Destruction of Right Certificates. All

Right Certificates surrendered or presented for the purpose of exercise, transfer, split-up, combination or exchange shall, and any Right Certificate representing Rights that have become null and void and nontransferable pursuant to Section 7(e) surrendered or presented for any purpose shall, if surrendered or presented to the Company or to any of its agents, be delivered to the Rights Agent for cancellation or in canceled form, or, if surrendered or presented to the Rights Agent, shall be canceled by it, and no Right Certificates shall be issued in lieu thereof except as expressly permitted by this Rights Agreement. The Company shall deliver to the Rights Agent for cancellation and retirement, and the Rights Agent shall so cancel and retire, any Right Certificate purchased or

acquired by the Company. The Rights Agent shall deliver all canceled Right Certificates to the Company, or shall, at the written request of the Company, destroy such canceled Right Certificates, and in such case shall deliver a certificate of destruction thereof to the Company.

SECTION 9. Reservation and Availability of Preferred Shares. (a)

The Company covenants and agrees that it shall cause to be reserved and kept available out of its authorized and unissued Preferred Shares or any authorized and issued Preferred Shares held in its treasury, free from preemptive rights or any right of first refusal, a number of Preferred Shares sufficient to permit the exercise in full of all outstanding Rights.

(b) In the event that there shall not be sufficient Preferred Shares issued but not outstanding or authorized but unissued to permit the exercise or exchange of Rights in accordance with Section 11, the Company covenants and agrees that it shall take all such action as may be necessary to authorize additional Preferred Shares for issuance upon the exercise or exchange of Rights pursuant to Section 11; provided, however, that if the Company is unable to

cause the authorization of additional Preferred Shares, then the Company shall, or in lieu of seeking any such authorization, the Company may, to the extent necessary and permitted by applicable law and any agreements or instruments in effect prior to the Distribution Date to which it is a party, (i) upon surrender of a Right, pay cash equal to the Purchase Price in lieu of issuing Preferred Shares and requiring payment therefor, (ii) upon due exercise of a Right and payment of the Purchase Price for each Preferred Share as to which such Right is exercised, issue equity securities having a value equal to the value of the Preferred Shares that otherwise would have been issuable pursuant to Section 11, which value shall be determined by a nationally recognized investment banking firm selected by the Board of Directors of the Company, or (iii) upon due exercise of a Right and payment of the Purchase Price for each Preferred Share as to which such Right is exercised, distribute a combination of Preferred Shares, cash and/or other equity and/or debt securities having an aggregate value equal to the value of the Preferred Shares that otherwise would have been issuable pursuant to Section 11, which value shall be determined by a nationally recognized investment banking firm selected by the Board of Directors of the Company. To the extent that any legal or contractual restrictions (pursuant to agreements or instruments in effect prior to the Distribution Date to which it is party) prevent the Company from paying the full amount payable in accordance with the

foregoing sentence, the Company shall pay to holders of the Rights as to which such payments are being made all amounts that are not then restricted on a pro rata basis as such payments become permissible under such legal or contractual restrictions until such payments have been paid in full.

(c) The Company covenants and agrees that it shall take all such action as may be necessary to ensure that all Preferred Shares delivered upon exercise or exchange of Rights shall, at the time of delivery of the certificates for such Preferred Shares (subject to payment of the Purchase Price), be duly and validly authorized and issued and fully paid and nonassessable shares.

(d) So long as the Preferred Shares issuable upon the exercise or exchange of Rights are to be listed on any national securities exchange, the Company covenants and agrees to use its best efforts to cause, from and after such time as the Rights become exercisable or exchangeable, all Preferred Shares reserved for such issuance to be listed on such securities exchange upon official notice of issuance upon such exercise or exchange.

(e) The Company further covenants and agrees that it shall pay when due and payable any and all Federal and state transfer taxes and charges which may be payable in respect of the issuance or delivery of Right Certificates or of any Preferred Shares or Common Stock or other securities upon the exercise or exchange of the Rights. The Company shall not, however, be required to pay any transfer tax which may be payable in respect of any transfer or delivery of Right Certificates to a Person other than, or in respect of the issuance or delivery of certificates for the Preferred Shares or Common Stock or other securities, as the case may be, in a name other than that of, the registered holder of the Right Certificate evidencing Rights surrendered for exercise or exchange or to issue or deliver any certificates for Preferred Shares or Common Stock or other securities, as the case may be, upon the exercise or exchange of any Rights until any such tax shall have been paid (any such tax being payable by the holder of such Right Certificate at the time of surrender) or until it has been established to the Company's satisfaction that no such tax is due.

SECTION 10. Preferred Shares Record Date. Each Person in whose name

any certificate for Preferred Shares or Common Stock or other securities is issued upon the exercise or exchange of Rights shall for all purposes be deemed to have become the holder of record of the Preferred Shares or Common Stock or other securities, as the case may be,

represented thereby on, and such certificate shall be dated, the date on which the Right Certificate evidencing such Rights was duly surrendered and payment of any Purchase Price (and any applicable transfer taxes) was made; provided,

 however, that, if the date of such surrender and payment is a date upon which
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the transfer books of the Company for the Preferred Shares or Common Stock or other securities, as the case may be, are closed, such Person shall be deemed to have become the record holder of such Preferred Shares or Common Stock or other securities, as the case may be, on, and such certificate shall be dated, the next succeeding Business Day on which the transfer books of the Company for the Preferred Shares or Common Stock or other securities, as the case may be, are open.

SECTION 11. Adjustments in Rights After There Is an Acquiring Person;

 Exchange of Rights for Shares; Business Combinations. (a) Upon a Person

becoming an Acquiring Person, proper provision shall be made so that each holder of a Right, except as provided in Section 7(e), shall thereafter have a right to receive, upon exercise thereof for the Purchase Price in accordance with the terms of this Rights Agreement, such number of one one-thousandths (1/1,000s) of a Preferred Share as shall equal the result obtained by multiplying the Purchase Price by a fraction, the numerator of which is the number of one one-thousandths (1/1,000s) of a Preferred Share for which such Right is then exercisable and the denominator of which is 50% of the Market Value of the Common Stock on the date on which such Person became an Acquiring Person. As soon as practicable after a Person becomes an Acquiring Person (provided the Company shall not have elected to make the exchange permitted by Section 11(b)(i) for all outstanding Rights), the Company covenants and agrees to use its best efforts to:

(i) prepare and file a registration statement under the Securities Act, on an appropriate form, with respect to the Preferred Shares purchasable upon exercise of the Rights;

(ii) cause such registration statement to become effective as soon as practicable after such filing;

(iii) cause such registration statement to remain effective (with a prospectus at all times meeting the requirements of the Securities Act) until the Expiration Date; and

(iv) qualify or register the Preferred Shares purchasable upon exercise of the Rights under the blue

sky or securities laws of such jurisdictions as may be necessary or appropriate.

(b)(i) The Board of Directors of the Company may, at its option, at any time after a Person becomes an Acquiring Person, mandatorily exchange all or part of the then outstanding and exercisable Rights (which shall not include Rights that shall have become null and void and nontransferable pursuant to the provisions of Section 7(e)) for consideration per Right consisting of either (A) one-half of the securities that would be issuable at such time upon the exercise of one Right in accordance with Section 11(a) or, if applicable, Section 9(b)(ii) or 9(b)(iii) or (B) if applicable, the cash consideration specified in Section 9(b)(i) (the consideration issuable per Right pursuant to this Section 11(b)(i) being the "Exchange Consideration"). The Board of Directors of the Company may, at its option, issue, in substitution for Preferred Shares, Common Stock in an amount per Preferred Share equal to the Formula Number (as defined in the Certificate of Designation) if there are sufficient shares of Common Stock issued but not outstanding or authorized but unissued. If the Board of Directors of the Company elects to exchange all the Rights for the Exchange Consideration pursuant to this Section 11(b)(i) prior to the physical distribution of the Right Certificates, the Corporation may distribute the Exchange Consideration in lieu of distributing Right Certificates, in which case for purposes of this Rights Agreement holders of Rights shall be deemed to have simultaneously received and surrendered for exchange Right Certificates on the date of such distribution.

(ii) Any action of the Board of Directors of the Company ordering the exchange of any Rights pursuant to Section 11(b)(i) shall be irrevocable and, immediately upon the taking of such action and without any further action and without any notice, the right to exercise any such Right pursuant to Section 11(a) shall terminate and the only right thereafter of a holder of such Right shall be to receive the Exchange Consideration in exchange for each such Right held by such holder or, if the Exchange Consideration shall not have been paid or issued, to exercise any such Right pursuant to Section 11(c)(i). The Company shall promptly give public notice of any such exchange; provided, however, that -----
 the failure to give, or any defect in, such notice shall not affect the validity of such exchange. The Company promptly shall mail a notice of any such exchange to all holders of such Rights at their last addresses as they appear upon the registry books of the Rights Agent. Any notice which is mailed in the manner herein provided shall be deemed given, whether or not the holder receives the

notice. Each such notice of exchange shall state the method by which the exchange of the Rights for the Exchange Consideration will be effected and, in the event of any partial exchange, the number of Rights which will be exchanged. Any partial exchange shall be effected pro rata based on the number of Rights (other than Rights which shall have become null and void and nontransferable pursuant to the provisions of Section 7(e)) held by each holder of Rights.

(c) (i) In the event that, following a Distribution Date, directly or indirectly, any transactions specified in the following clause (A), (B) or (C) of this Section 11(c)(i) (each such transaction being a "Business Combination") shall be consummated:

(A) the Company shall consolidate with, or merge with and into, any Acquiring Person or any Affiliate or Associate of an Acquiring Person;

(B) any Acquiring Person or any Affiliate or Associate of an Acquiring Person shall merge with and into the Company and, in connection with such merger, all or part of the Common Shares shall be changed into or exchanged for capital stock or other securities of the Company or of any Acquiring Person or Affiliate or Associate of an Acquiring Person or cash or any other property; or

(C) the Company shall sell, lease, exchange or otherwise transfer or dispose of (or one or more of its Subsidiaries shall sell, lease, exchange or otherwise transfer or dispose of), in one or more transactions, the Major Part of the assets of the Company and its Subsidiaries (taken as a whole) to any Acquiring Person or any Affiliate or Associate of an Acquiring Person,

then, in each such case, proper provision shall be made so that each holder of a Right, except as provided in Section 7(e), shall thereafter have the right to receive, upon the exercise thereof for the Purchase Price in accordance with the terms of this Rights Agreement, the securities specified below (or, at such holder's option, the securities specified in Section 11(a)):

(1) if the Principal Party in such Business Combination has Registered Common Shares outstanding, each Right shall thereafter represent the right to receive, upon the exercise thereof for the Purchase Price in accordance with the terms of this Rights Agreement, such number of Registered Common Shares of

such Principal Party, free and clear of all liens, encumbrances or other adverse claims, as shall have an aggregate Market Value as of the time of exercise thereof equal to the result obtained by multiplying the Purchase Price by two;

(2) if the Principal Party involved in such Business Combination does not have Registered Common Shares outstanding, each Right shall thereafter represent the right to receive, upon the exercise thereof for the Purchase Price in accordance with the terms of this Rights Agreement, at the election of the holder of such Right at the time of the exercise thereof, any of:

(x) such number of Common Shares of the Surviving Person in such Business Combination as shall have an aggregate Book Value immediately after giving effect to such Business Combination equal to the result obtained by multiplying the Purchase Price by two;

(y) such number of Common Shares of the Principal Party in such Business Combination (if the Principal Party is not also the Surviving Person in such Business Combination) as shall have an aggregate Book Value immediately after giving effect to such Business Combination equal to the result obtained by multiplying the Purchase Price by two;
or

(z) if the Principal Party in such Business Combination is an Affiliate of one or more Persons that has Registered Common Shares outstanding, such number of Registered Common Shares of whichever of such Affiliates of the Principal Party has Registered Common Shares with the greatest aggregate Market Value on the date of consummation of such Business Combination as shall have an aggregate Market Value on the date of such Business Combination equal to the result obtained by multiplying the Purchase Price by two.

(ii) The Company shall not consummate any Business Combination unless each issuer of Common Shares for which Rights may be exercised, as set forth in this Section 11(c), shall have sufficient authorized Common Shares that have not been issued or reserved for issuance (and which shall, when issued upon exercise thereof in accordance with this Rights Agreement, be validly issued, fully paid and nonassessable and free of preemptive rights,

rights of first refusal or any other restrictions or limitations on the transfer or ownership thereof) to permit the exercise in full of the Rights in accordance with this Section 11(c) and unless prior thereto:

(A) a registration statement under the Securities Act on an appropriate form, with respect to the Rights and the Common Shares of such issuer purchasable upon exercise of the Rights, shall be effective under the Securities Act; and

(B) the Company and each such issuer shall have:

(i) executed and delivered to the Rights Agent a supplemental agreement providing for the assumption by such issuer of the obligations set forth in this Section 11(c) (including the obligation of such issuer to issue Common Shares upon the exercise of Rights in accordance with the terms set forth in Sections 11(c)(i) and 11(c)(iii)) and further providing that such issuer, at its own expense, shall use its best efforts to:

(x) cause a registration statement under the Securities Act on an appropriate form, with respect to the Rights and the Common Shares of such issuer purchasable upon exercise of the Rights, to remain effective (with a prospectus at all times meeting the requirements of the Securities Act) until the Expiration Date;

(y) qualify or register the Rights and the Common Shares of such issuer purchasable upon exercise of the Rights under the blue sky or securities laws of such jurisdictions as may be necessary or appropriate; and

(z) list the Rights and the Common Shares of such issuer purchasable upon exercise of the Rights on each national securities exchange on which the Common Shares were listed prior to the consummation of the Business Combination or, if the Common Shares were not listed on a national securities exchange prior to the consummation of the Business Combination, on a national securities exchange;

(2) furnished to the Rights Agent a written opinion of independent counsel stating that such supplemental agreement is a valid, binding and enforceable agreement of such issuer; and

(3) filed with the Rights Agent a certificate of a nationally recognized firm of independent accountants setting forth the number of Common Shares of such issuer that may be purchased upon the exercise of each Right after the consummation of such Business Combination.

(iii) After consummation of any Business Combination and subject to the provisions of Section 11(c)(ii), (A) each issuer of Common Shares for which Rights may be exercised as set forth in this Section 11(c) shall be liable for, and shall assume, by virtue of such Business Combination, all the obligations and duties of the Company pursuant to this Rights Agreement, (B) the term "Company" shall thereafter be deemed to refer to such issuer, (C) each such issuer shall take such steps in connection with such consummation as may be necessary to assure that the provisions hereof (including the provisions of Sections 11(a), 11(b) and 11(c)) shall thereafter be applicable, as nearly as reasonably may be, in relation to its Common Shares thereafter deliverable upon the exercise of the Rights, and (D) the number of Common Shares of each such issuer thereafter receivable upon exercise of any Right shall be subject to adjustment from time to time in a manner and on terms as nearly equivalent as practicable to the provisions of Sections 11 and 12 and the provisions of Section 7, 9 and 10 with respect to the Preferred Shares shall apply, as nearly as reasonably may be, on like terms to any such Common Shares.

SECTION 12. Certain Adjustments. (a) To preserve the actual or

potential economic value of the Rights, if at any time after the date of this Rights Agreement there shall be any change in the Common Shares or the Preferred Shares, whether by reason of stock dividends, stock splits, recapitalizations, mergers, consolidations, combinations or exchanges of securities, split-ups, split-offs, spin-offs, liquidations, other similar changes in capitalization, any distribution or issuance of cash, assets, evidences of indebtedness or subscription rights, options or warrants to holders of Common Shares or Preferred Shares, as the case may be (other than distribution of the Rights or regular quarterly cash dividends), or otherwise, then, in each such event the Board of Directors of the Company shall make such appropriate adjustments in the number of Preferred Shares (or the number and kind of other

securities) issuable upon exercise of each Right, the Purchase Price and Redemption Price in effect at such time and the number of Rights outstanding at such time (including the number of Rights or fractional Rights associated with each Common Share) such that following such adjustment such event shall not have had the effect of reducing or limiting the benefits the holders of the Rights would have had absent such event.

(b) If, as a result of an adjustment made pursuant to Section 12(a), the holder of any Right thereafter exercised shall become entitled to receive any securities other than Preferred Shares, thereafter the number of such securities so receivable upon exercise of any Right shall be subject to adjustment from time to time in a manner and on terms as nearly equivalent as practicable to the provisions of Sections 11 and 12 and the provisions of Sections 7, 9 and 10 with respect to the Preferred Shares shall apply, as nearly as reasonably may be, on like terms to any such other securities.

(c) All Rights originally issued by the Company subsequent to any adjustment made to the amount of Preferred Shares or other securities relating to a Right shall evidence the right to purchase, for the Purchase Price, the adjusted number and kind of securities purchasable from time to time hereunder upon exercise of the Rights, all subject to further adjustment as provided herein.

(d) Irrespective of any adjustment or change in the Purchase Price or the number of Preferred Shares or number or kind of other securities issuable upon the exercise of the Rights, the Right Certificates theretofore and thereafter issued may continue to express the terms that were expressed in the initial Right Certificates issued hereunder.

(e) In any case in which action taken pursuant to Section 12(a) requires that an adjustment be made effective as of a record date for a specified event, the Company may elect to defer until the occurrence of such event the issuing to the holder of any Right exercised after such record date the Preferred Shares and/or other securities, if any, issuable upon such exercise over and above the Preferred Shares and/or other securities, if any, issuable before giving effect to such adjustment; provided, however, that the

 Company shall deliver to such holder a due bill or other appropriate instrument evidencing such holder's right to receive such additional securities upon the occurrence of the event requiring such adjustment.

SECTION 13. Certificate of Adjustment. Whenever an adjustment is

 made as provided in Section 11 or 12, the Company shall (a) promptly prepare a certificate setting forth such adjustment and a brief statement of the facts accounting for such adjustment, (b) promptly file with the Rights Agent and with each transfer agent for the Preferred Shares a copy of such certificate and (c) mail a brief summary thereof to each holder of a Right Certificate (or, prior to the Distribution Date, of the Common Shares) in accordance with Section 25. The Rights Agent shall be fully protected in relying on any such certificate and on any adjustment therein contained.

SECTION 14. Additional Covenants. (a) Notwithstanding any other

 provision of this Rights Agreement, no adjustment to the number of Preferred Shares (or fractions of a share) or other securities for which a Right is exercisable or the number of Rights outstanding or associated with each Common Share or any similar or other adjustment shall be made or be effective if such adjustment would have the effect of reducing or limiting the benefits the holders of the Rights would have had absent such adjustment, including the benefits under Sections 11 and 12, unless the terms of this Rights Agreement are amended so as to preserve such benefits.

(b) The Company covenants and agrees that, after the Distribution Date, except as permitted by Section 26, it shall not take (or permit any Subsidiary of the Company to take) any action if at the time such action is taken it is intended or reasonably foreseeable that such action will reduce or otherwise limit the benefits the holders of the Rights would have had absent such action, including the benefits under Sections 11 and 12. Any action taken by the Company during any period after any Person becomes an Acquiring Person but prior to the Distribution Date shall be null and void unless such action could be taken under this Section 14(b) from and after the Distribution Date. The Company shall not consummate any Business Combination if any issuer of Common Shares for which Rights may be exercised after such Business Combination in accordance with Section 11(c) shall have taken any action that reduces or otherwise limits the benefits the holders of the Rights would have had absent such action, including the benefits under Sections 11 and 12.

SECTION 15. Fractional Rights and Fractional Shares. (a) The

 Company may, but shall not be required to, issue fractions of Rights or distribute Right Certificates which evidence fractional Rights. In lieu of such fractional Rights, the Company may pay to the registered

holders of the Right Certificates with regard to which such fractional Rights would otherwise be issuable an amount in cash equal to the same fraction of the current market value of a whole Right. For purposes of this Section 15(a), the current market value of a whole Right shall be the closing price of the Rights (as determined pursuant to the second and third sentences of the definition of Market Value contained in Section 1) for the Trading Day immediately prior to the date on which such fractional Rights would have been otherwise issuable.

(b) The Company may, but shall not be required to, issue fractions of Preferred Shares upon exercise of the Rights or distribute certificates that evidence fractional Preferred Shares. In lieu of fractional Preferred Shares, the Company may elect to (i) utilize a depository arrangement as provided by the terms of the Preferred Shares or (ii) in the case of a fraction of a Preferred Share (other than one one-thousandth (1/1,000th) of a Preferred Share or any integral multiple thereof), pay to the registered holders of Right Certificates at the time such Rights are exercised as herein provided an amount in cash equal to the same fraction of the current Market Value of one Preferred Share, if any are outstanding and publicly traded (or the Formula Number times the current Market Value of one share of Common Stock if the Preferred Shares are not outstanding and publicly traded). For purposes of this Section 15(b), the current Market Value of a Preferred Share (or share of Common Stock) shall be the closing price of a Preferred Share (or share of Common Stock) (as determined pursuant to the second and third sentences of the definition of Market Value contained in Section 1) for the Trading Day immediately prior to the date of such exercise. If, as a result of an adjustment made pursuant to Section 12(a), the holder of any Right thereafter exercised shall become entitled to receive any securities other than Preferred Shares, the provisions of this Section 15(b) shall apply, as nearly as reasonably may be, on like terms to such other securities.

(c) The Company may, but shall not be required to, issue fractions of Common Stock upon exchange of Rights pursuant to Section 11(b), or to distribute certificates that evidence fractional Common Stock. In lieu of such fractional Common Stock, the Company may pay to the registered holders of the Right Certificates with regard to which such fractional Common Stock would otherwise be issuable an amount in cash equal to the same fraction of the current Market Value of one share of Common Stock as of the date on which a Person became an Acquiring Person.

(d) The holder of Rights by the acceptance of the Rights expressly waives his right to receive any fractional Rights or any fractional shares upon exercise of a Right except as provided in this Section 15.

SECTION 16. Rights of Action. (a) All rights of action in respect

of this Rights Agreement are vested in the respective registered holders of the Right Certificates (or, prior to the Distribution Date, the registered holders of the Common Shares); and any registered holder of any Right Certificate (or, prior to the Distribution Date, of the Common Shares), without the consent of the Rights Agent or of the holder of any other Right Certificate (or, prior to the Distribution Date, of the Common Shares) may, in his own behalf and for his own benefit, enforce, and may institute and maintain any suit, action or proceeding against the Company to enforce, or otherwise act in respect of, his right to exercise the Rights evidenced by such Right Certificate in the manner provided in such Right Certificate and in this Rights Agreement. Without limiting the foregoing or any remedies available to the holders of Rights, it is specifically acknowledged that the holders of Rights would not have an adequate remedy at law for any breach of this Rights Agreement and shall be entitled to specific performance of the obligations of any Person under, and injunctive relief against actual or threatened violations of the obligations of any Person subject to, this Rights Agreement.

(b) Any holder of Rights who prevails in an action to enforce the provisions of this Rights Agreement shall be entitled to recover the reasonable costs and expenses, including attorneys' fees, incurred in such action.

SECTION 17. Transfer and Ownership of Rights and Right Certificates.

(a) Prior to the Distribution Date, the Rights shall be transferable only in connection with the transfer of the Common Shares and the Right associated with each Common Share shall, subject to the proviso set forth in Section 3(c), be automatically transferred upon the transfer of each Common Share.

(b) After the Distribution Date, the Right Certificates shall be transferable, subject to Section 7(e), only on the registry books of the Rights Agent if surrendered at the principal office of the Rights Agent, duly endorsed or accompanied by a proper instrument of transfer.

(c) The Company and the Rights Agent may deem and treat the Person in whose name a Right Certificate (or,

prior to the Distribution Date, the associated Common Shares certificate) is registered as the absolute owner thereof and of the Rights evidenced thereby (notwithstanding any notations of ownership or writing on the Right Certificates or the associated certificate for Common Shares made by anyone other than the Company or the Rights Agent) for all purposes whatsoever, and neither the Company nor the Rights Agent shall be affected by any notice to the contrary.

SECTION 18. Right Certificate Holder Not Deemed a Stockholder. No

holder, as such, of any Right Certificate shall be entitled to vote or receive dividends or be deemed, for any purpose, the holder of the Preferred Shares or of any other securities of the Company which may at any time be issuable on the exercise of the Rights represented thereby, nor shall anything contained herein or in any Right Certificate be construed to confer upon the holder of any Right Certificate, as such, any of the rights of a stockholder of the Company, including any right to vote for the election of directors or upon any matter submitted to stockholders at any meeting thereof, or to give or withhold consent to any corporate action, or to receive notice of meetings or other actions affecting stockholders, or to receive dividends or other distributions or subscription rights, or otherwise, until the Right or Rights evidenced by such Right Certificate shall have been exercised in accordance with the provisions hereof.

SECTION 19. Concerning the Rights Agent. (a) The Company agrees to

pay to the Rights Agent reasonable compensation for all services rendered by it hereunder and from time to time, on demand of the Rights Agent, its reasonable expenses and counsel fees and other disbursements incurred in the administration and execution of this Rights Agreement and the exercise and performance of its duties hereunder, including any taxes or governmental charges imposed as a result of the action taken by it hereunder (other than any taxes on the fees payable to it).

(b) The Rights Agent shall be protected and shall incur no liability for or in respect of any action taken, suffered or omitted by it in connection with its administration of this Rights Agreement in reliance upon any Right Certificate or certificate for the Common Shares or for other securities of the Company, instrument of assignment or transfer, power of attorney, endorsement, affidavit, letter, notice, direction, consent, certificate, statement, or other paper or document believed by it to be genuine and to be signed, executed and, where necessary, verified or acknowledged, by the proper Person or Persons.

SECTION 20. Merger or Consolidation or Change of Rights Agent. (a)

 Any corporation into which the Rights Agent or any successor Rights Agent may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which the Rights Agent or any successor Rights Agent shall be a party, or any corporation succeeding to the stock transfer or corporate trust business of the Rights Agent or any successor Rights Agent, shall be the successor to the Rights Agent under this Rights Agreement without the execution or filing of any paper or any further act on the part of any of the parties hereto; provided that such corporation would be eligible for

 appointment as a successor Rights Agent under the provisions of Section 22. In case, at the time such successor Rights Agent shall succeed to the agency created by this Rights Agreement, any of the Right Certificates shall have been countersigned but not delivered, any such successor Rights Agent may adopt the countersignature of the predecessor Rights Agent and deliver such Right Certificates so countersigned; and, in case at that time any of the Right Certificates shall not have been countersigned, any successor Rights Agent may countersign such Right Certificates either in the name of the predecessor Rights Agent or in the name of the successor Rights Agent; and in all such cases such Right Certificates shall have the full force provided in the Right Certificates and in this Rights Agreement.

(b) In case at any time the name of the Rights Agent shall be changed and at such time any of the Right Certificates shall have been countersigned but not delivered, the Rights Agent may adopt the countersignature under its prior name and deliver Right Certificates so countersigned; and, in case at that time any of the Right Certificates shall not have been countersigned, the Rights Agent may countersign such Right Certificates either in its prior name or in its changed name; and in all such cases such Right Certificates shall have the full force provided in the Right Certificates and in this Rights Agreement.

SECTION 21. Duties of Rights Agent. The Rights Agent undertakes the

 duties and obligations imposed by this Rights Agreement upon the following terms and conditions, by all of which the Company and the holders of Right Certificates (or, prior to the Distribution Date, of the Common Shares), by their acceptance thereof, shall be bound:

(a) The Rights Agent may consult with legal counsel (who may be legal counsel for the Company), and the opinion of such counsel shall be full and complete authorization and protection to the Rights Agent as to any action

taken, suffered or omitted by it in good faith and in accordance with such opinion.

(b) Whenever in the performance of its duties under this Rights Agreement the Rights Agent shall deem it necessary or desirable that any fact or matter (including the identity of any Acquiring Person) be proved or established by the Company prior to taking, refraining from taking or suffering any action hereunder, such fact or matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate signed by any one of the Chairman of the Board, the Chief Executive Officer, the Chief Financial Officer, a Vice President (whether preceded by any additional title), the Treasurer or the Secretary of the Company and delivered to the Rights Agent; and such certificate shall be full authorization to the Rights Agent for any action taken or suffered in good faith by it under the provisions of this Rights Agreement in reliance upon such certificate.

(c) The Rights Agent shall be liable hereunder only for its own negligence, bad faith or wilful misconduct.

(d) The Rights Agent shall not be liable for or by reason of any of the statements of fact or recitals contained in this Rights Agreement or in the Right Certificates (except as to its countersignature thereof) or be required to verify the same, but all such statements and recitals are and shall be deemed to have been made by the Company only.

(e) The Rights Agent shall not be under any responsibility in respect of the validity of this Rights Agreement or the execution and delivery hereof (except the due execution hereof by the Rights Agent) or in respect of the validity or execution of any Right Certificate (except its countersignature thereof); nor shall it be responsible for any breach by the Company of any covenant or condition contained in this Rights Agreement or in any Right Certificate; nor shall it be responsible for any adjustment required under the provisions of Section 11 or 12 or responsible for the manner, method or amount of any such adjustment or the ascertaining of the existence of facts that would require any such adjustment (except with respect to the exercise of Rights evidenced by Right Certificates after actual notice of any such adjustment); nor shall it by any act hereunder be deemed to make any representation or warranty as to the authorization or reservation of any Preferred Shares or shares of Common Stock to be issued pursuant to this Rights Agreement or any Right Certificate

or as to whether any Preferred Shares or shares of Common Stock will, when so issued, be validly authorized and issued, fully paid and nonassessable.

(f) The Company agrees that it shall perform, execute, acknowledge and deliver or cause to be performed, executed, acknowledged and delivered all such further and other acts, instruments and assurances as may reasonably be required by the Rights Agent for the carrying out or performing by the Rights Agent of the provisions of this Rights Agreement.

(g) The Rights Agent is hereby authorized and directed to accept instructions with respect to the performance of its duties hereunder from any one of the Chairman of the Board, the Chief Executive Officer, the Chief Financial Officer, a Vice President (whether preceded by any additional title), the Treasurer or the Secretary of the Company, in connection with its duties and it shall not be liable for any action taken or suffered to be taken by it in good faith in accordance with instructions of any such officer.

(h) The Rights Agent and any stockholder, director, officer or employee of the Rights Agent may buy, sell or deal in any of the Rights or other securities of the Company or become pecuniarily interested in any transaction in which the Company may be interested, or contract with or lend money to the Company or otherwise act as fully and freely as though it were not the Rights Agent under this Rights Agreement. Nothing herein shall preclude the Rights Agent from acting in any other capacity for the Company or for any other legal entity.

(i) The Rights Agent may execute and exercise any of the rights or powers hereby vested in it or perform any duty hereunder either itself or by or through its attorneys or agents, and the Rights Agent shall not be answerable or accountable for any act, default, neglect or misconduct of any such attorneys or agents or for any loss to the Company resulting from any such act, default, neglect or misconduct provided reasonable care was exercised in the selection and continued employment thereof.

(j) The Company agrees to indemnify and to hold the Rights Agent harmless against any loss, liability, damage or expense (including reasonable fees and expenses of legal counsel) which the Rights Agent may incur resulting from its actions as Rights Agent pursuant to this Rights Agreement; provided, however, that the Rights Agent shall not be indemnified or held harmless with respect to any such

loss, liability, damage or expense incurred by the Rights Agent as a result of, or arising out of, its own negligence, bad faith or wilful misconduct. In no case shall the Company be liable with respect to any action, proceeding, suit or claim against the Rights Agent unless the Rights Agent shall have notified the Company, by letter or by facsimile confirmed by letter, of the assertion of any action, proceeding, suit or claim against the Rights Agent, promptly after the Rights Agent shall have notice of any such assertion of an action, proceeding, suit or claim or have been served with the summons or other first legal process giving information as to the nature and basis of the action, proceeding, suit or claim. The Company shall be entitled to participate at its own expense in the defense of any such action, proceeding, suit or claim, and, if the Company so elects, the Company shall assume the defense of any such action, proceeding, suit or claim. In the event that the Company assumes such defense, the Company shall not thereafter be liable for the fees and expenses of any additional counsel retained by the Rights Agent, so long as the Company shall retain counsel satisfactory to the Rights Agent, in the exercise of its reasonable judgment, to defend such action, proceeding, suit or claim. The Rights Agent agrees not to settle any litigation in connection with any action, proceeding, suit or claim with respect to which it may seek indemnification from the Company without the prior written consent of the Company.

SECTION 22. Change of Rights Agent. The Rights Agent or any

successor Rights Agent may resign and be discharged from its duties under this Rights Agreement upon 30 days' notice in writing mailed to the Company and to each transfer agent of the Common Shares and the Preferred Shares by registered or certified mail, and to the holders of the Right Certificates (or, prior to the Distribution Date, of the Common Shares) by first-class mail. The Company may remove the Rights Agent or any successor Rights Agent upon 30 days' notice in writing, mailed to the Rights Agent or successor Rights Agent, as the case may be, and to each transfer agent of the Common Shares and the Preferred Shares by registered or certified mail, and to the holders of the Right Certificates (or, prior to the Distribution Date, of the Common Shares) by first-class mail. If the Rights Agent shall resign or be removed or shall otherwise become incapable of acting, the Company shall appoint a successor to the Rights Agent. If the Company shall fail to make such appointment within a period of 30 days after giving notice of such removal or after it has been notified in writing of such resignation or incapacity by the resigning or incapacitated Rights Agent or by the holder of a Right Certificate (or, prior to the Distribution Date, of the Common Shares)

(who shall, with such notice, submit his Right Certificate or, prior to the Distribution Date, the certificate representing his Common Shares, for inspection by the Company), then the registered holder of any Right Certificate (or, prior to the Distribution Date, of the Common Shares) may apply to any court of competent jurisdiction for the appointment of a new Rights Agent. Any successor Rights Agent, whether appointed by the Company or by such a court, shall be a corporation organized and doing business under the laws of the United States or of the State of New York (or of any other state of the United States so long as such corporation is authorized to conduct a stock transfer or corporate trust business in the State of New York), in good standing, having a principal office in the State of New York, which is authorized under such laws to exercise stock transfer or corporate trust powers and is subject to supervision or examination by Federal or state authority and which has at the time of its appointment as Rights Agent a combined capital and surplus of at least \$50,000,000; provided that the principal transfer agent for the Common

 Shares shall in any event be qualified to be the Rights Agent. After appointment, the successor Rights Agent shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named as Rights Agent without further act or deed; but the predecessor Rights Agent shall deliver and transfer to the successor Rights Agent any property at the time held by it hereunder, and execute and deliver any further assurance, conveyance, act or deed necessary for the purpose. Not later than the effective date of any such appointment, the Company shall file notice thereof in writing with the predecessor Rights Agent and each transfer agent of the Common Shares and the Preferred Shares, and mail a notice thereof in writing to the registered holders of the Right Certificates (or, prior to the Distribution Date, of the Common Shares). Failure to give any notice provided for in this Section 22, however, or any defect therein shall not affect the legality or validity of the resignation or removal of the Rights Agent or the appointment of the successor Rights Agent, as the case may be.

SECTION 23. Issuance of Additional Rights and Right Certificates.

Notwithstanding any of the provisions of this Rights Agreement or of the Rights to the contrary, the Company may, at its option, issue new Right Certificates evidencing Rights in such form as may be approved by its Board of Directors to reflect any adjustment or change made in accordance with the provisions of this Rights Agreement. In addition, in connection with the issuance or sale of Common Shares following the Distribution Date and prior to the earlier of the Redemption Date and the Expiration Date,

the Company (a) shall, with respect to Common Shares so issued or sold pursuant to the exercise of stock options or under any employee plan or arrangement, or upon the exercise, conversion or exchange of securities, notes or debentures issued by the Company, and (b) may, in any other case, if deemed necessary or appropriate by the Board of Directors of the Company, issue Right Certificates representing the appropriate number of Rights in connection with such issuance or sale; provided, however, that (i) no such Right Certificate shall be issued

if, and to the extent that, the Company shall be advised by counsel that such issuance would create a significant risk of material adverse tax consequences to the Company or the Person to whom such Right Certificate would be issued, (ii) no such Right Certificate shall be issued if, and to the extent that, appropriate adjustment shall otherwise have been made in lieu of the issuance thereof and (iii) no such Right Certificate shall be issued to an Acquiring Person or an Affiliate or Associate of an Acquiring Person.

SECTION 24. Redemption and Termination. (a) The Board of Directors

of the Company may, at its option, at any time prior to the earlier of (i) such time as a Person becomes an Acquiring Person and (ii) the Expiration Date, order the redemption of all, but not fewer than all, the then outstanding Rights at the Redemption Price (the date of such redemption being the "Redemption Date"), and the Company, at its option, may pay the Redemption Price either in cash or Common Stock or other securities of the Company deemed by the Board of Directors of the Company, in the exercise of its sole discretion, to be at least equivalent in value to the Redemption Price.

(b) Immediately upon the action of the Board of Directors of the Company ordering the redemption of the Rights, and without any further action and without any notice, the right to exercise the Rights will terminate and the only right thereafter of the holders of Rights shall be to receive the Redemption Price. Within 10 Business Days after the action of the Board of Directors of the Company ordering the redemption of the Rights, the Company shall give notice of such redemption to the holders of the then outstanding Rights by mailing such notice to all such holders at their last addresses as they appear upon the registry books of the Rights Agent or, prior to the Distribution Date, on the registry books of the transfer agent for the Common Shares. Each such notice of redemption shall state the method by which payment of the Redemption Price will be made. The notice, if mailed in the manner herein provided, shall be conclusively presumed to have been duly given, whether or not the holder of Rights receives such

notice. In any case, failure to give such notice by mail, or any defect in the notice, to any particular holder of Rights shall not affect the sufficiency of the notice to other holders of Rights.

SECTION 25. Notices. Notices or demands authorized by this Rights

Agreement to be given or made by the Rights Agent or by the holder of a Right Certificate (or, prior to the Distribution Date, of the Common Shares) to or on the Company shall be sufficiently given or made if sent by first-class mail, postage prepaid, addressed (until another address is filed in writing with the Rights Agent) as follows:

Crown Castle International Corp.
510 Bering Drive
Suite 500
Houston, TX 77057
Attention: Corporate Secretary

Subject to the provisions of Section 22, any notice or demand authorized by this Rights Agreement to be given or made by the Company or by the holder of a Right Certificate (or, prior to the Distribution Date, of the Common Shares) to or on the Rights Agent shall be sufficiently given or made if sent by first-class mail, postage prepaid, addressed (until another address is filed in writing with the Company) as follows:

[]
[]
[]
Attention: []

Notices or demands authorized by this Rights Agreement to be given or made by the Company or the Rights Agent to any holder of a Right Certificate (or, prior to the Distribution Date, of the Common Shares) shall be sufficiently given or made if sent by first-class mail, postage prepaid, addressed to such holder at the address of such holder as shown on the registry books of the Rights Agent or, prior to the Distribution Date, on the registry books of the transfer agent for the Common Shares.

SECTION 26. Supplements and Amendments. At any time prior to the

time any person becomes an Acquiring Person, and subject to the last sentence of this Section 26, the Company may, and the Rights Agent shall if the Company so directs, supplement or amend any provision of this Rights Agreement (including the date on which the Expiration Date or the Distribution Date shall occur, the amount of the

Purchase Price, the definition of "Acquiring Person" or the time during which the Rights may be redeemed pursuant to Section 24) without the approval of any holder of the Rights. From and after the Distribution Date, and subject to applicable law, the Company may, and the Rights Agent shall if the Company so directs, amend this Rights Agreement without the approval of any holders of Right Certificates (a) to cure any ambiguity or to correct or supplement any provision contained herein which may be defective or inconsistent with any other provision of this Rights Agreement or (b) to make any other provisions in regard to matters or questions arising hereunder which the Company may deem necessary or desirable and which shall not adversely affect the interests of the holders of Right Certificates (other than an Acquiring Person or an Affiliate or Associate of an Acquiring Person). Any supplement or amendment adopted during any period after any Person has become an Acquiring Person but prior to the Distribution Date shall be null and void unless such supplement or amendment could have been adopted under the prior sentence from and after the Distribution Date. Any supplement or amendment to this Rights Agreement duly approved by the Company that does not amend Sections 19, 20, 21 or 22 in a manner adverse to the Rights Agent shall become effective immediately upon execution by the Company, whether or not also executed by the Rights Agent. In addition, notwithstanding anything to the contrary contained in this Rights Agreement, no supplement or amendment to this Rights Agreement shall be made which reduces the Redemption Price (except as required by Section 12(a)).

SECTION 27. Successors. All the covenants and provisions of this

Rights Agreement by or for the benefit of the Company or the Rights Agent shall bind and inure to the benefit of their respective successors and assigns hereunder.

SECTION 28. Benefits of Rights Agreement; Determinations and Actions

by the Board of Directors, etc. (a) Nothing in this Rights Agreement shall be

construed to give to any Person other than the Company, the Rights Agent and the registered holders of the Right Certificates (or, prior to the Distribution Date, of the Common Shares) any legal or equitable right, remedy or claim under this Rights Agreement; but this Rights Agreement shall be for the sole and exclusive benefit of the Company, the Rights Agent and the registered holders of the Right Certificates (or, prior to the Distribution Date, of the Common Shares).

(b) Except as explicitly otherwise provided in this Rights Agreement, the Board of Directors of the Company

shall have the exclusive power and authority to administer this Rights Agreement and to exercise all rights and powers specifically granted to the Board of Directors of the Company or to the Company, or as may be necessary or advisable in the administration of this Rights Agreement, including the right and power to (i) interpret the provisions of this Rights Agreement and (ii) make all determinations deemed necessary or advisable for the administration of this Rights Agreement (including a determination to redeem or not redeem the Rights or to amend this Rights Agreement and a determination of whether there is an Acquiring Person).

(c) Nothing contained in this Rights Agreement shall be deemed to be in derogation of the obligation of the Board of Directors of the Company to exercise its fiduciary duty. Without limiting the foregoing, nothing contained herein shall be construed to suggest or imply that the Board of Directors shall not be entitled to reject any tender offer or other acquisition proposal, or to recommend that holders of Common Shares reject any tender offer, or to take any other action (including the commencement, prosecution, defense or settlement of any litigation and the submission of additional or alternative offers or other proposals) with respect to any tender offer or other acquisition proposal that the Board of Directors believes is necessary or appropriate in the exercise of such fiduciary duty.

SECTION 29. Severability. If any term, provision, covenant or

restriction of this Rights Agreement is held by a court of competent jurisdiction or other authority to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Rights Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

SECTION 30. Governing Law. This Rights Agreement and each Right

Certificate issued hereunder shall be deemed to be a contract made under the law of the State of Delaware and for all purposes shall be governed by and construed in accordance with the law of such State applicable to contracts to be made and performed entirely within such State.

SECTION 31. Counterparts; Effectiveness. This Rights Agreement may

be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument. This Rights Agreement shall be effective as of the Close of Business on the date hereof.

SECTION 32. Descriptive Headings. Descriptive headings of the

several Sections of this Rights Agreement are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions of this Rights Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Rights Agreement to be duly executed as of the day and year first above written.

CROWN CASTLE INTERNATIONAL CORP.,

by

Name:

Title:

CHASEMELLON SHAREHOLDER SERVICES, L.L.C.,

by

Name:

Title:

CERTIFICATE OF THE VOTING POWERS,
DESIGNATIONS, PREFERENCES AND RELATIVE
PARTICIPATING, OPTIONAL AND OTHER SPECIAL
RIGHTS AND QUALIFICATIONS, LIMITATIONS
OR RESTRICTIONS OF SERIES A
PARTICIPATING CUMULATIVE PREFERRED STOCK
OF
CROWN CASTLE INTERNATIONAL CORP.

Pursuant to Section 151 of the General Corporation Law of the State of Delaware, Crown Castle International Corp. (the "Company"), a corporation organized and existing under the General Corporation Law of the State of Delaware, in accordance with the provisions of Section 103 thereof, DOES HEREBY CERTIFY:

That, pursuant to the authority conferred upon the Board of Directors of the Company by Article IV of the Amended and Restated Certificate of Incorporation of the Company (the "Charter"), the Board of Directors (the "Board") of the Company on [], 1998, adopted the following resolution:

RESOLVED, that, pursuant to the authority vested in the Board of Directors of the Company in accordance with the provisions of the Amended and Restated Certificate of Incorporation of the Company and the provisions of Section 151(g) of the General Corporation Law of the State of Delaware, the issuance of a series of Preferred Stock, par value \$0.01 per share (the "Preferred Stock"), which shall consist of [] of the shares of Preferred Stock which the Company has authority to issue, is authorized, and the Board hereby fixes the voting powers, preferences and relative, participating, optional and other special rights of the shares of such series, and the qualifications, limitations or restrictions thereof are hereby amended and restated to read in their entirety (in addition to the designation, preferences and relative, participating and other special rights, and the qualifications, limitations or restrictions thereof, set forth in the Amended Certificate of Incorporation, as amended, which are applicable to the Preferred Stock of all series) as follows:

SECTION 1. Designation and Number of Shares. The shares of such

series shall be designated as "Series A Participating Cumulative Preferred
Stock" (the "Series A Preferred Stock"). The number of shares initially
constituting the Series A Preferred Stock shall be []; provided,

however, that, if more than a total of

[] shares of Series A Preferred Stock shall be issuable upon the exercise of Rights (the "Rights") issued pursuant to the Rights Agreement dated as of [], 199[8], between the Company and [], as Rights Agent (the "Rights Agreement"), the Board of Directors of the Company, pursuant to Section 151(g) of the General Corporation Law of the State of Delaware, shall direct by resolution or resolutions that a certificate be properly executed, acknowledged, filed and recorded, in accordance with the provisions of Section 103 thereof, providing for the total number of shares of Series A Preferred Stock authorized to be issued to be increased (to the extent that the Charter then permits) to the largest number of whole shares (rounded up to the nearest whole number) issuable upon exercise of such Rights.

SECTION 2. Dividends or Distributions. (a) Subject to the superior

rights of the holders of shares of any other series of Preferred Stock or other class of capital stock of the Company ranking superior to the shares of Series A Preferred Stock with respect to dividends, the holders of shares of the Series A Preferred Stock shall be entitled to receive, when, as and if declared by the Board of Directors, out of the assets of the Company legally available therefor, (1) quarterly dividends payable in cash on the [1st day of February, May, August and November] in each year, or such other dates as the Board of Directors of the Company shall approve (each such date being referred to herein as a "Quarterly Dividend Payment Date"), commencing on the first Quarterly Dividend Payment Date after the first issuance of a share or a fraction of a share of Series A Preferred Stock, in the amount of \$[] per whole share (rounded to the nearest cent) less the amount of all cash dividends declared on the Series A Preferred Stock pursuant to the following clause (2) since the immediately preceding Quarterly Dividend Payment Date or, with respect to the first Quarterly Dividend Payment Date, since the first issuance of any share or fraction of a share of Series A Preferred Stock (the total of which shall not, in any event, be less than zero) and (2) dividends payable in cash on the payment date for each cash dividend declared on the Common Shares in an amount per whole share (rounded to the nearest cent) equal to the Formula Number (as hereinafter defined) then in effect times the cash dividends then to be paid on each Common Share. In addition, if the Company shall pay any dividend or make any distribution on the Common Shares payable in assets, securities or other forms of noncash consideration (other than dividends or distributions solely in Common Shares), then, in each such case, the Company shall simultaneously pay or make on each outstanding whole share of Series A Preferred Stock a dividend or distribution in like kind equal to the Formula Number then in effect times

such dividend or distribution on each Common Share. As used herein, the "Formula Number" shall be 1,000; provided, however, that, if at any time after [],

 199-, the Company shall (i) declare or pay any dividend on the Common Shares payable in shares or make any distribution on the Common Shares in Common Shares, (ii) subdivide (by a stock split or otherwise) the outstanding shares into a larger number of Common Shares or (iii) combine (by a reverse stock split or otherwise) the outstanding Common Shares into a smaller number of Common Shares, then in each such event the Formula Number shall be adjusted to a number determined by multiplying the Formula Number in effect immediately prior to such event by a fraction, the numerator of which is the number of Common Shares that are outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that are outstanding immediately prior to such event (and rounding the result to the nearest whole number); and provided

 further that, if at any time after [], 199-, the Company shall issue

 any shares of its capital stock in a merger, reclassification, or change of the outstanding Common Shares, then in each such event the Formula Number shall be appropriately adjusted to reflect such merger, reclassification or change so that each share of Preferred Stock continues to be the economic equivalent of a Formula Number of Common Shares prior to such merger, reclassification or change.

(b) The Company shall declare a dividend or distribution on the Series A Preferred Stock as provided in Section 2(a) immediately prior to or at the same time it declares a dividend or distribution on the Common Shares (other than a dividend or distribution solely in Common Shares); provided, however,

 that, in the event no dividend or distribution (other than a dividend or distribution in Common Shares) shall have been declared on the Common Shares during the period between any Quarterly Dividend Payment Date and the next subsequent Quarterly Dividend Payment Date, a dividend of \$[] per share on the Series A Preferred Stock shall nevertheless be payable on such subsequent Quarterly Dividend Payment Date. The Board of Directors may fix a record date for the determination of holders of shares of Series A Preferred Stock entitled to receive a dividend or distribution declared thereon, which record date shall be the same as the record date for any corresponding dividend or distribution on the Common Shares.

(c) Dividends shall begin to accrue and be cumulative on outstanding shares of Series A Preferred Stock from and after the Quarterly Dividend Payment Date next preceding the date of original issue of such shares of Series A Preferred Stock; provided, however, that dividends on such

shares which are originally issued after the record date for the determination of holders of shares of Series A Preferred Stock entitled to receive a quarterly dividend and on or prior to the next succeeding Quarterly Dividend Payment Date shall begin to accrue and be cumulative from and after such Quarterly Dividend Payment Date. Notwithstanding the foregoing, dividends on shares of Series A Preferred Stock which are originally issued prior to the record date for the determination of holders of shares of Series A Preferred Stock entitled to receive a quarterly dividend on the first Quarterly Dividend Payment Date shall be calculated as if cumulative from and after the last day of the fiscal quarter next preceding the date of original issuance of such shares. Accrued but unpaid dividends shall not bear interest. Dividends paid on the shares of Series A Preferred Stock in an amount less than the total amount of such dividends at the time accrued and payable on such shares shall be allocated pro rata on a share-by-share basis among all such shares at the time outstanding.

(d) So long as any shares of the Series A Preferred Stock are outstanding, no dividends or other distributions shall be declared, paid or distributed, or set aside for payment or distribution, on the Common Shares unless, in each case, the dividend required by this Section 2 to be declared on the Series A Preferred Stock shall have been declared.

(e) The holders of the shares of Series A Preferred Stock shall not be entitled to receive any dividends or other distributions except as provided herein.

SECTION 3. Voting Rights. The holders of shares of Series A

Preferred Stock shall have the following voting rights:

(a) Each holder of Series A Preferred Stock shall be entitled to a number of votes equal to the Formula Number then in effect, for each share of Series A Preferred Stock held of record on each matter on which holders of the Common Shares or stockholders generally are entitled to vote, multiplied by the maximum number of votes per share which any holder of the Common Shares or stockholders generally then have with respect to such matter (assuming any holding period or other requirement to vote a greater number of shares is satisfied).

(b) Except as otherwise provided herein, by the Charter or by applicable law, the holders of shares of Series A Preferred Stock and the holders of shares of Common Stock (and any other capital stock of the Company at the time entitled thereto) shall vote together as one class for the

election of directors of the Company and on all other matters submitted to a vote of stockholders of the Company except that while holders of shares of Series A Preferred Stock, voting as a class, are entitled to elect two directors as provided in the Charter, they shall not be entitled to participate with the Common Stock (or any other capital stock as aforesaid) in the election of any other directors.

(c) Except as provided herein, in Section 11 or by applicable law, holders of Series A Preferred Stock shall have no special voting rights and their consent shall not be required (except to the extent they are entitled to vote with holders of Common Stock as set forth herein) for authorizing or taking any corporate action.

SECTION 4. Certain Restrictions. (a) Whenever quarterly dividends

or other dividends or distributions payable on the Series A Preferred Stock as provided in Section 2 are in arrears, thereafter and until all accrued and unpaid dividends and distributions, whether or not declared, on shares of Series A Preferred Stock outstanding shall have been paid in full, the Company shall not

(i) declare or pay dividends on, make any other distributions on, or redeem or purchase or otherwise acquire for consideration any shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Preferred Stock;

(ii) declare or pay dividends on or make any other distributions on any shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Preferred Stock, except dividends paid ratably on the Series A Preferred Stock and all such parity stock on which dividends are payable or in arrears in proportion to the total amounts to which the holders of all such shares are then entitled;

(iii) redeem or purchase or otherwise acquire for consideration shares of any stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Preferred Stock;

provided that the Company may at any time redeem, purchase or otherwise

acquire shares of any such parity stock in exchange for shares of any stock of the Company ranking junior (either as to dividends or upon dissolution, liquidation or winding up) to the Series A Preferred Stock; or

(iv) purchase or otherwise acquire for consideration any shares of Series A Preferred Stock, or any shares of stock ranking on a parity with the Series A Preferred Stock, except in accordance with a purchase offer made in writing or by publication (as determined by the Board of Directors) to all holders of such shares upon such terms as the Board of Directors, after consideration of the respective annual dividend rates and other relative rights and preferences of the respective series and classes, shall determine in good faith will result in fair and equitable treatment among the respective series or classes.

(b) The Company shall not permit any subsidiary of the Company to purchase or otherwise acquire for consideration any shares of stock of the Company unless the Company could, under paragraph (a) of this Section 4, purchase or otherwise acquire such shares at such time and in such manner.

SECTION 5. Liquidation Rights. Upon the liquidation, dissolution or

winding up of the Company, whether voluntary or involuntary, no distribution shall be made (1) to the holders of shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Preferred Stock unless, prior thereto, the holders of shares of Series A Preferred Stock shall have received an amount equal to the accrued and unpaid dividends and distributions thereon, whether or not declared, to the date of such payment, plus an amount equal to the greater of (x) \$1,000 per whole share or (y) an aggregate amount per share equal to the Formula Number then in effect times the aggregate amount to be distributed per share to holders of Common Shares or (2) to the holders of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Preferred Stock, except distributions made ratably on the Series A Preferred Stock and all other such parity stock in proportion to the total amounts to which the holders of all such shares are entitled upon such liquidation, dissolution or winding up.

SECTION 6. Consolidation, Merger, etc. In case the Company shall

enter into any consolidation, merger, combination or other transaction in which the Common Shares are exchanged for or changed into other stock or securities, cash or any other property, then in any such case the then outstanding shares of Series A Preferred Stock shall at the same time be similarly exchanged or changed into an amount per share equal to the Formula Number then in effect times the aggregate amount of stock, securities, cash or any other property (payable in kind), as the case may be, into which or for which each Common Share is exchanged or changed. In the

event both this Section 6 and Section 2 appear to apply to a transaction, this Section 6 will control.

SECTION 7. No Redemption; No Sinking Fund. (a) The shares of Series

A Preferred Stock shall not be subject to redemption by the Company or at the option of any holder of Series A Preferred Stock; provided, however, that the

Company may purchase or otherwise acquire outstanding shares of Series A Preferred Stock in the open market or by offer to any holder or holders of shares of Series A Preferred Stock.

(b) The shares of Series A Preferred Stock shall not be subject to or entitled to the operation of a retirement or sinking fund.

SECTION 8. Ranking. The Series A Preferred Stock shall rank junior

to all other series of Preferred Stock of the Company unless the Board of Directors shall specifically determine otherwise in fixing the powers, preferences and relative, participating, optional and other special rights of the shares of such series and the qualifications, limitations and restrictions thereof.

SECTION 9. Fractional Shares. The Series A Preferred Stock shall be

issuable upon exercise of the Rights issued pursuant to the Rights Agreement in whole shares or in any fraction of a share that is one one-thousandth of a share or any integral multiple of such fraction which shall entitle the holder, in proportion to such holder's fractional shares, to receive dividends, exercise voting rights, participate in distributions and to have the benefit of all other rights of holders of Series A Preferred Stock. In lieu of fractional shares, the Company, prior to the first issuance of a share or a fraction of a share of Series A Preferred Stock, may elect (a) to make a cash payment as provided in the Rights Agreement for fractions of a share other than one one-thousandths of a share or any integral multiple thereof or (b) to issue depository receipts evidencing such authorized fraction of a share of Series A Preferred Stock pursuant to an appropriate agreement between the Company and a depository selected by the Company; provided that such agreement shall provide that the

holders of such depository receipts shall have all the rights, privileges and preferences to which they are entitled as holders of the Series A Preferred Stock.

SECTION 10. Reacquired Shares. Any shares of Series A Preferred

Stock purchased or otherwise acquired by the Company in any manner whatsoever shall be retired and canceled promptly after the acquisition thereof. All such shares shall upon their cancellation become authorized but

unissued shares of Preferred Stock, without designation as to series until such shares are once more designated as part of a particular series by the Board of Directors pursuant to the provisions of the Charter.

SECTION 11. Amendment. None of the powers, preferences and relative,

participating, optional and other special rights of the Series A Preferred Stock as provided herein, in the Company's by-laws or in the Charter shall be amended in any manner which would alter or change the powers, preferences, rights or privileges of the holders of Series A Preferred Stock so as to affect them adversely without the affirmative vote of the holders of at least 66-2/3% of the outstanding shares of Series A Preferred Stock, voting as a separate class;

provided, however, that no such amendment approved by the holders of at least

66-2/3% of the outstanding shares of Series A Preferred Stock shall be deemed to apply to the powers, preferences, rights or privileges of any holder of shares of Series A Preferred Stock originally issued upon exercise of the Rights after the time of such approval without the approval of such holder.

IN WITNESS WHEREOF, the Company has caused this Certificate to be duly executed in its corporate name on this __th day of [], 1998.

CROWN CASTLE INTERNATIONAL CORP.,

by _____

Name:

Title:

[Form of Right Certificate]

Certificate No. [R]-

_____ Rights

NOT EXERCISABLE AFTER [], 200[8], OR EARLIER IF REDEEMED BY THE COMPANY. THE RIGHTS ARE SUBJECT TO REDEMPTION, AT THE OPTION OF THE COMPANY, AT \$.01 PER RIGHT, ON THE TERMS SET FORTH IN THE RIGHTS AGREEMENT. RIGHTS BENEFICIALLY OWNED BY AN ACQUIRING PERSON OR AN AFFILIATE OR ASSOCIATE OF AN ACQUIRING PERSON (AS SUCH TERMS ARE DEFINED IN THE RIGHTS AGREEMENT) AND BY ANY SUBSEQUENT HOLDER OF SUCH RIGHTS ARE NULL AND VOID AND NONTRANSFERABLE.

Right Certificate

CROWN CASTLE INTERNATIONAL CORP.

This certifies that _____, or registered assigns, is the registered owner of the number of Rights set forth above, each of which entitles the owner thereof, subject to the terms, provisions and conditions of the Rights Agreement dated as of [], 1998 (the "Rights Agreement"), between Crown Castle International Corp., a Delaware corporation (the "Company"), and [], as Rights Agent (the "Rights Agent"), unless the Rights evidenced hereby shall have been previously redeemed by the Company, to purchase from the Company at any time after the Distribution Date (as defined in the Rights Agreement) and prior to 5:00 p.m., New York City time, on the 10th anniversary of the date of the Rights Agreement (the "Expiration Date"), at the principal office or offices of the Rights Agent designated for such purpose, or its successors as Rights Agent, one one-thousandth (1/1,000th) of a fully paid, nonassessable share of Series A Participating Cumulative Preferred Stock, par value \$.01 per share, of the Company (the "Preferred Shares"), at a purchase price per one one-thousandth (1/1,000th) of a share equal to \$[] (the "Purchase Price") payable in cash, upon presentation and surrender of this Right Certificate with the Form of Election to Purchase duly executed.

The Purchase Price and the number and kind of shares which may be purchased upon exercise of each Right evidenced by this Right Certificate, as set forth above, are the Purchase Price and the number and kind of shares which may be so purchased as of _____. As provided in the Rights

Agreement, the Purchase Price and the number and kind of shares which may be purchased upon the exercise of each Right evidenced by this Right Certificate are subject to modification and adjustment upon the happening of certain events.

If the Rights evidenced by this Right Certificate are at any time beneficially owned by an Acquiring Person or an Affiliate or Associate of an Acquiring Person (as such terms are defined in the Rights Agreement), such Rights shall be null and void and nontransferable and the holder of any such Right (including any purported transferee or subsequent holder) shall not have any right to exercise or transfer any such Right.

This Right Certificate is subject to all the terms, provisions and conditions of the Rights Agreement, which terms, provisions and conditions are hereby incorporated herein by reference and made a part hereof and to which reference to the Rights Agreement is hereby made for a full description of the rights, limitations of rights, obligations, duties and immunities hereunder of the Rights Agent, the Company and the holders of the Right Certificates. Copies of the Rights Agreement are on file at the above-mentioned office of the Rights Agent and are also available from the Company upon written request.

This Right Certificate, with or without other Right Certificates, upon surrender at the principal stock transfer or corporate trust office of the Rights Agent, may be exchanged for another Right Certificate or Right Certificates of like tenor and date evidencing Rights entitling the holder to purchase a like aggregate number and kind of shares as the Rights evidenced by the Right Certificate or Right Certificates surrendered shall have entitled such holder to purchase. If this Right Certificate shall be exercised in part, the holder shall be entitled to receive upon surrender hereof another Right Certificate or Right Certificates for the number of whole Rights not exercised.

Subject to the provisions of the Rights Agreement, the Rights evidenced by this Right Certificate may be redeemed by the Company at its option at a redemption price (in cash or shares of Common Stock or other securities of the Company deemed by the Board of Directors to be at least equivalent in value) of \$.01 per Right (which amount shall be subject to adjustment as provided in the Rights Agreement) at any time prior to the earlier of (i) such time as a Person becomes an Acquiring Person and (ii) the Expiration Date.

The Company may, but shall not be required to, issue fractions of Preferred Shares or distribute certificates which

evidence fractions of Preferred Shares upon the exercise of any Right or Rights evidenced hereby. In lieu of issuing fractional shares, the Company may elect to make a cash payment as provided in the Rights Agreement for fractions of a share other than one one-thousandth (1/1,000th) of a share or any integral multiple thereof or to issue certificates or utilize a depository arrangement as provided in the terms of the Rights Agreement and the Preferred Shares.

No holder of this Right Certificate shall be entitled to vote or receive dividends or be deemed for any purpose the holder of the Preferred Shares or of any other securities of the Company which may at any time be issuable on the exercise hereof, nor shall anything contained in the Rights Agreement or herein be construed to confer upon the holder hereof, as such, any of the rights of a stockholder of the Company, including, without limitation, any right to vote for the election of directors or upon any matter submitted to stockholders at any meeting thereof, or to give or withhold consent to any corporate action, or to receive notice of meetings or other actions affecting stockholders (except as provided in the Rights Agreement), or to receive dividends or other distributions or subscription rights, or otherwise, until the Right or Rights evidenced by this Right Certificate shall have been exercised as provided in accordance with the provisions of the Rights Agreement.

This Right Certificate shall not be valid or obligatory for any purpose until it shall have been counter signed by an authorized signatory of the Rights Agent.

WITNESS the facsimile signature of the proper officers of the Company and its corporate seal.

Dated as of:

CROWN CASTLE INTERNATIONAL CORP.,

by _____

Name:
Title:

Attest:

Name:
Title:

Date of countersignature:

Countersigned:

CHASEMELLON SHAREHOLDER SERVICES, L.L.C.,
as Rights Agent,

by _____

Authorized Signatory

[On Reverse Side of Right Certificate]

FORM OF ELECTION TO PURCHASE

(To be executed by the registered holder if such holder desires to exercise the Rights represented by this Right Certificate.)

To the Rights Agent:

The undersigned hereby irrevocably elects to exercise _____ Rights represented by this Right Certificate to purchase the Preferred Shares (or other shares) issuable upon the exercise of such Rights and requests that certificates for such shares be issued in the name of:

Please insert social security
or other identifying number

(Please print name and address)

If such number of Rights shall not be all the Rights evidenced by this Right Certificate, a new Right Certificate for the balance remaining of such Rights shall be registered in the name of and delivered to:

Please insert social security
or other identifying number

(Please print name and address)

Dated: _____, 19__

Signature

Signature Guaranteed:

FORM OF ASSIGNMENT

(To be executed by the registered holder if such holder desires to transfer the Right Certificate.)

FOR VALUE RECEIVED _____ hereby sells, assigns and transfers unto _____

(Please print name and address of transferee)

this Right Certificate, together with all right, title and interest therein, and does hereby irrevocably constitute and appoint _____ Attorney, to transfer the within Right Certificate on the books of the within-named Corporation, with full power of substitution.

Dated: _____, 19__

Signature

Signature Guaranteed:

The undersigned hereby certifies that (1) the Rights evidenced by this Right Certificate are not being sold, assigned or transferred by or on behalf of a Person who is or was an Acquiring Person or an Affiliate or Associate thereof (as such terms are defined in the Rights Agreement), (2) this Right Certificate is not being sold, assigned or transferred to or on behalf of any such Acquiring Person, Affiliate or Associate and (3) after inquiry and to the best knowledge of the undersigned, the undersigned did not acquire the Rights evidenced by this Right Certificate from any Person who is or was an Acquiring Person or an Affiliate or Associate thereof (as such terms are defined in the Rights Agreement).

Signature

NOTICE

The signature on the foregoing Form of Election to Purchase or Form of Assignment must correspond to the name as written upon the face of this Right Certificate in every particular, without alteration or enlargement or any change whatsoever.

SUMMARY OF RIGHTS TO PURCHASE
SERIES A PARTICIPATING CUMULATIVE PREFERRED STOCK
OF CROWN CASTLE INTERNATIONAL CORP.

On [], 1998, the Board of Directors of Crown Castle International Corp. (the "Company") declared a dividend of one Right for each outstanding share of Common Stock (the "Common Stock" or "Common Shares"). The Rights will be issued to the holders of record of Common Stock outstanding on [], 1998 and with respect to Common Stock issued thereafter until the Distribution Date (as defined below). Each Right, when it becomes exercisable as described below, will entitle the registered holder to purchase from the Company one one-thousandth (1/1,000th) of a share of Series A Participating Cumulative Preferred Stock, par value \$.01 per share, of the Company (the "Preferred Shares") at a price of [] (the "Purchase Price"). The description and terms of the Rights are set forth in a Rights Agreement dated as of [], 1998 (the "Rights Agreement"), between the Company and [], as Rights Agent (the "Rights Agent").

Until the earlier of (i) such time as the Company learns that a person or group (including any affiliate or associate of such person or group) has acquired, or obtained the right to acquire, beneficial ownership of more than 15% of the outstanding Common Stock (such person or group being

called an "Acquiring Person")/1/, and (ii) such date, if any, as may be designated by the Board of Directors of the Company following the commencement of, or first public disclosure of an intention to commence, a tender or exchange offer for outstanding Common Stock which could result in such person or group becoming the beneficial owner of more than 15% of the outstanding Voting Securities, (the earlier of such dates being called the "Distribution Date"), the Rights will be evidenced by certificates for Common Stock registered in the names of the holders thereof (which certificates for Common Stock shall also be deemed to be Right Certificates (as defined below)) and not by separate Right Certificates. Therefore, until the Distribution Date, the Rights will be transferred with and only with the Voting Securities.

- -----
 /1/ None of (1) TeleDiffusion de France International S.A. and its affiliates and associates (the "TDF Group"), however, will be deemed an Acquiring Person if (a) during the first five years following the adoption of the Rights Agreement, the aggregate interest of the TDF Group does not exceed 25% of the outstanding Voting Securities (defined to include the Common Stock, the Class A Common Stock, the Preferred Stock and the Senior Convertible Preferred Stock of the Company) and (b) thereafter, the aggregate interest of the TDF Group does not exceed the lesser of (i) 25% of the Voting Securities then outstanding and (ii) the aggregate interest of the TDF Group as of the fifth anniversary of the Rights Agreement or (2) Berkshire Fund III, A Limited Partnership, Berkshire Investors LLC, Berkshire Fund IV, Limited Partnership, their affiliates and their respective partners and members, collectively (the "Berkshire Group"), however, will be deemed an Acquiring Person if the aggregate interest of the Berkshire Group does not exceed []% of the outstanding Voting Securities.

As soon as practicable following the Distribution Date, separate certificates evidencing the Rights ("Right Certificates") will be mailed to holders of record of the Common Stock as of the close of business on the Distribution Date, and such separate Right Certificates alone will thereafter evidence the Rights.

The Rights are not exercisable until the Distribution Date and will -----
expire on [], 200[8] (the "Expiration Date"), unless earlier redeemed by the Company as described below.

The number of Preferred Shares or other securities issuable upon exercise of the Rights is subject to adjustment by the Board of Directors of the Company in the event of any change in the Common Stock or Preferred Shares, whether by reason of stock dividends, stock splits, recapitalizations, mergers, consolidations, combinations or exchanges of securities, split-ups, split-offs, spin-offs, liquidations, other similar changes in capitalization, any distribution or issuance of assets, evidences of indebtedness or subscription rights, options or warrants to holders of Common Stock or Preferred Shares or otherwise. The Purchase Price and the number of Preferred Shares or other securities issuable upon exercise of the Rights are subject to adjustment from time to time in the event of the declaration of a stock dividend on the Common Stock payable

in Common Stock or a subdivision or combination of the Common Stock prior to the Distribution Date.

The Preferred Shares are authorized to be issued in fractions which are an integral multiple of one one-thousandth (1/1,000th) of a Preferred Share. The Company may, but is not required to, issue fractions of shares upon the exercise of Rights, and in lieu of fractional shares, the Company may make a cash payment based on the market price of such shares on the first trading date prior to the date of exercise or utilize a depository arrangement as provided by the terms of the Preferred Shares.

Subject to the right of the Board of Directors of the Company to redeem the Rights as described below, at such time as there is an Acquiring Person, proper provision shall be made so that the holder of each Right will thereafter have the right to receive, upon exercise thereof, for the Purchase Price, that number of one one-thousandths of a Preferred Share equal to the number of Common Stock which at the time of such transaction would have a market value of twice the Purchase Price. Any Rights that are or were beneficially owned by an Acquiring Person on or after the Distribution Date will become null and void and will not be subject to the "flip-in" provision.

In the event the Company is acquired in a merger or other business combination by an Acquiring Person that is a publicly traded corporation or 50% or more of the Company's assets or assets representing 50% or more of the

Company's earning power are sold, leased, exchanged or otherwise transferred (in one or more transactions) to an Acquiring Person that is a publicly traded corporation, each Right will entitle its holder to purchase, for the Purchase Price, that number of shares of [Common Stock] of such corporation which at the time of the transaction would have a market value of twice the Purchase Price. In the event the Company is acquired in a merger or other business combination by an Acquiring Person that is not a publicly traded entity or 50% or more of the Company's assets or assets representing 50% or more of the earning power of the Company are sold, leased, exchanged or otherwise transferred (in one or more transactions) to an Acquiring Person that is not a publicly traded entity, each Right will entitle its holder to purchase, for the Purchase Price, at such holder's option, (i) that number of shares of the surviving corporation in the transaction with such entity (or, at such holder's option, of the surviving corporation in such acquisition, which could be the Company) which at the time of the transaction would have a book value of twice the Purchase Price or (ii) that number of shares of such entity which at the time of the transaction would have a book value of twice the Purchase Price or (iii) if such entity has an affiliate which has publicly traded Voting Securities, that number of Common Stock of such affiliate which at the time

of the transaction would have a market value of twice the Purchase Price. Any Rights that are or were beneficially owned by an Acquiring Person on or after the Distribution Date shall become null and void. The "flip-over" provision only applies to a merger or similar business combination with an Acquiring Person.

Any Rights that are or were, at any time on or after the date an Acquiring Person becomes such, beneficially owned by an Acquiring Person or any affiliate or associate of an Acquiring Person (or a transferee thereof) will become null and void and any holder of any such Right (including any subsequent holder) will be unable to exercise any such Right.

The Rights are redeemable by the Board of Directors at a redemption price of \$.01 per Right (the "Redemption Price") any time prior to the earlier of (i) such time as there is an Acquiring Person and (ii) the Expiration Date. Immediately upon the action of the Board electing to redeem the Rights, and without any further action and without any notice, the right to exercise the Rights will terminate and the only right of the holders of Rights will be to receive the Redemption Price.

After there is an Acquiring Person the Board of Directors may elect to exchange each Right (other than Rights owned by an Acquiring Person) for consideration per Right consisting of one-half of the securities that would be

issuable at such time upon the exercise of one Right pursuant to the terms of the Rights Agreement.

At any time prior to such time as there shall be an Acquiring Person, the Company may, without the approval of any holder of the Rights, supplement or amend any provision of the Rights Agreement (including the date on which the Expiration Date or the Distribution Date shall occur, the amount of the Purchase Price or the definition of "Acquiring Person"), except that no supplement or amendment shall be made that reduces the Redemption Price of the Rights.

Until a Right is exercised, the holder thereof, as such, will have no rights as a stockholder of the Company, including, without limitation, the right to vote or to receive dividends.

A copy of the Rights Agreement, including the terms of the Preferred Shares, will be filed with the Securities and Exchange Commission as an Exhibit to a Registration Statement on Form 8-A. A copy of the Rights Agreement is available free of charge from the Company upon written request. This summary description of the Rights does not purport to be complete and is qualified in its entirety by reference to the Rights Agreement, which is incorporated herein by reference.

DATED 23 January 1998

CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD (1)
AND
GEORGE E. REESE (2)

DEED OF GRANT OF OPTION

Norton Rose
London

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THIS DEED is made on 1998 BETWEEN:

- (1) CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD (registered number 3242381) whose registered office is situated at Warwick Technology Park, Gallows Hill, Heathcote Lane, Warwick CV34 6TN (the "COMPANY");
- (2) GEORGE E. REESE of 34 Castle Hill Road, Kenilworth CV8 1NB (the "EMPLOYEE").

WHEREAS the Company wishes to grant the Employee options to acquire shares in the Company and to enter into certain other arrangements in relation to such shares.

NOW THIS DEED WITNESSES as follows:

1 Definitions

1.1 In this Deed the following expressions have the following meanings:

"AGGREGATE INVESTMENT" means the aggregate subscription monies paid by the Investors for shares of the Company;

"ARTICLES" means the Company's Articles of Association from time to time;

"AUDITORS" means the auditors for the time being of the Company;

"BAD LEAVER" means the Employee ceasing to be a Relevant Employee in any circumstances prior to 28 February 1998 or the Employee ceasing to be a Relevant Employee on or after 28 February 1998 in circumstances resulting from either (a) the giving by the Employee of notice to the Company or any of its subsidiaries of his intention to terminate his employment in order to take up alternative employment outside the United States of America or (b) the termination of the Employee's employment with the Company or any of its subsidiaries in circumstances involving a repudiatory breach by the Employee of his employment contract or in circumstances which would entitle the Company, or as the case may be, any subsidiary, summarily to terminate his employment without notice;

"BOARD" means the board of directors of the Company;

"CCI" means Crown Castle International Corp, a Delaware corporation;

"CHANGE OF CONTROL" means any party (including an Investor) acquiring 45% or more of the Company's issued share capital or 40% or more of the Company's issued share capital being sold by any party or parties;

"EXERCISE PRICE" means the price per share at which the Employee is granted the right to acquire Ordinary Shares and Preference Shares on exercise of the Option, being 1p per Ordinary Share and 1p per Preference Share or such other price as may result from an adjustment pursuant to Rule 6;

"GOOD LEAVER" means the Employee ceasing to be a Relevant Employee other than as a Bad Leaver;

"GROUP COMPANY" means in relation to the Company, any subsidiary of that Company ("subsidiary" having the meaning ascribed to it by sections 736 and 736A Companies Act 1985 (as amended));

"INTERNAL RATE OF RETURN" shall be that rate at which all Investment Gain or return of capital to the Investors must be discounted to equal the Aggregate Investment. The internal rate of return shall be compounded annually. In calculating the internal rate of return each amount taken into account as Investment Gain or a return of capital shall be discounted from the date of distribution of such amount back to 28th February 1997 (or to the date of investment in respect of any share capital of the Company subscribed for by the Investors after 28th February 1997) with each period for which the calculation is made rounded to the nearest number of whole months. An example of the calculation of internal rate of return is set out in the annexure to this Agreement;

"INVESTMENT GAIN" means the aggregate of all:

- (a) dividends received in respect of Ordinary Shares or Preference Shares by the Investors;
- (b) proceeds of the redemption of Preference Shares paid to the Investors; and
- (c) the value of the Company's equity share capital held by the Investors on a public offering of the Company's Shares, a Qualifying Sale or a Change of Control, as the case may be;

"INVESTORS" means Berkshire Fund IV L.P., Berkshire Investors LLC, Candover Investments plc, Candover (Trustees) Limited and Candover Partners Limited (as general partner of each of the Candover 1994 UK Limited Partnership, the Candover 1994 UK No. 2 Limited Partnership, the Candover 1994 US No. 1 Limited Partnership and the Candover 1994 US No. 2 Limited Partnership, TeleDiffusion de France International S.A. and CCI (including any successors to such entities);

"THE LONDON STOCK EXCHANGE" means the London Stock Exchange Limited;

"ORDINARY SHARE" means, subject to Rule 6, an Ordinary Share of 1p of the Company;

"PREFERENCE SHARE" means, subject to Rule 6, a Preference Share of 1p of the Company;

"QUALIFYING SALE" means the sale by an Investor of more than 25% of the Ordinary Shares and the Preference Shares then held by that Investor;

"RELEVANT EMPLOYEE" means a director or an employee of the Company or any Group Company;

"SHARE CAPITAL" means the Company's entire issued share capital for the time being comprising all the issued Ordinary Shares and Preference Shares;

1.2 Any reference herein to any enactment shall be construed as including a reference to that enactment as the same may from time to time be amended or re-enacted.

1.3 Wherever the context so admits or requires words in the singular shall include the plural and vice versa.

2 Grant of Options

2.1 The Company hereby grants two options (the "A OPTION" and the "B OPTION" respectively and together the "OPTIONS") by way of this Deed to the Employee, on and subject to the terms of this Deed.

2.2 The A Option is to acquire on and subject to the terms of this Deed for cash at par up to a maximum of 50,000 Ordinary Shares and 49,950,000 Preference Shares (the "A OPTION SHARES") at the Exercise Price.

2.3 The B Option is to acquire for cash at par up to a maximum of 50,000 Ordinary Shares and 49,950,000 Preference Shares (the "B OPTION SHARES") at the Exercise Price.

2.4 No consideration is payable by the Employee for the grant of the Options.

3 Exercise and lapse of the Options

A. The A Option

3.1 The Employee's rights to subscribe for A Option Shares under this Deed shall, subject to Rule 3.2, vest in and become exercisable by the Employee up to the maximum numbers of A Option Shares set out below provided that the Employee is a Relevant Employee on the following dates (each a "SERVICE DATE"):

Service Date -----	Ordinary Shares -----	Preference Shares -----
28th February 1998	10,000	9,990,000
28th February 1999	10,000	9,990,000
28th February 2000	10,000	9,990,000
28th February 2001	10,000	9,990,000
28th February 2002	10,000	9,990,000
	=====	=====
Total number of A Option Shares	50,000	49,950,000

On successive Service Dates, A Option Shares which have vested on previous Service Dates but in respect of which the A Option has not been exercised will

continue to be exercisable by the Employee subject to the provisions of this Deed.

3.2 The Employee's rights to subscribe for A Option Shares under this Deed shall vest in and become exercisable by the Employee in full on a Change of Control (to the extent they have not vested in the Employee at such time) provided the Employee is a Relevant Employee on the date of such Change of Control.

B. The B Option

3.3 (a) The Employee's rights to subscribe for B Option Shares under this Deed shall vest in and become exercisable by the Employee in full on the date of a Qualifying Trigger Event provided that the Employee is a Relevant Employee on such date.

(b) For the purposes of this Rule 3.3 a "Qualifying Trigger Event" shall mean the issue of a certificate from the Company to the Employee certifying that:

(i) a public offering of the shares of the Company has realised (or would have realised had the Investors elected to participate in such offering) for each of the Investors cash amounts equivalent to an internal rate of return in excess of 30% and a return equal to or in excess of 2.5 times the sums subscribed by the relevant Investor or Investors for shares of the Company ("THE HURDLE RETURN");

(ii) a Qualifying Sale has realised for the Investor in question cash amounts equivalent to the Hurdle Return; or

(iii) a Change of Control has realised for an Investor or Investors cash amounts equivalent to the Hurdle Return.

3.4 If any of the events described in Rule 3.3(b)(i), (ii) or (iii) shall occur but the Hurdle Return is not realised on such event, then the Company shall review, on the 28 February next following and on an annual basis until 28 February 2002 thereafter, whether the Hurdle Return has been achieved. If the Company shall certify that the Hurdle Return has been achieved then the issue of such certificate shall be treated as a Qualifying Trigger Event and the Employee's rights to subscribe for B Option Shares shall vest in full and become exercisable by the Employee on the date of such certificate provided that the Employee is a Relevant Employee on such date.

3.5 If the Employee is a Relevant Employee on 28th February 2002 in circumstances where a Qualifying Trigger Event has not occurred, the Company shall nevertheless certify to the Employee whether each of the Investors has achieved the Hurdle Return (Investment Gain for this purpose being calculated by reference to the value of the Company's equity share capital as at 28th February 2002). If the Company shall certify that the Hurdle Return has been achieved then the issue of such certificate shall be treated as a Qualifying Trigger Event

and the Employee's rights to subscribe for B Option Shares under this Deed shall vest in full and become exercisable by the Employee on the date of such certificate provided that the Employee is a Relevant Employee on such date.

3.6 If the Employee shall cease to be a Relevant Employee and is a Good Leaver before a Qualifying Trigger Event and between any of the dates mentioned in the first column below ("RELEVANT PERIODS") then the Employee shall be entitled to subscribe for such number of B Option Shares as shall be indicated in the second and third columns below on the occurrence of a Qualifying Trigger Event for the purposes of Rule 3.3, Rule 3.4 or Rule 3.5:

RELEVANT PERIODS (all dates inclusive)	ORDINARY SHARES	PREFERENCE SHARES
28 February 1998 to 27 February 1999	12,500	12,487,500
28 February 1999 to 27 February 2000	12,500	12,487,500
28 February 2000 to 27 February 2001	12,500	12,487,500
28 February 2001 to 28 February 2002	12,500 =====	12,487,500 =====
TOTALS	50,000	49,950,000

Rules 3.3, 3.4, or 3.5, as the case may be, shall apply mutatis mutandis to the question of whether a Qualifying Trigger Event has occurred.

3.7 If the Employee believes that the Company should have issued a certificate under Rules 3.3, 3.4, 3.5 or 3.6 but the Company disagrees, then the Employee or the Company may require the appointment of a suitably qualified independent third party ("THE EXPERT") to determine whether the criteria set out in Rule 3.3(a)(i), Rule 3.3(b)(ii), Rule 3.3(b)(iii), Rule 3.4 or Rule 3.5 have been satisfied so that the Company should have issued a certificate that a Qualifying Trigger Event has occurred and that the Hurdle Return has been achieved. If the Expert shall demonstrate that a Qualifying Trigger Event has occurred or the Hurdle Return has been achieved then Rule 3.3(a) shall apply and his costs shall be borne by the Company. In any other case the costs of the Expert shall be borne by the Employee. The Expert shall act as an expert and not as an arbitrator and failing agreement between the Company and the Employee as to his identity he shall be appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales.

C. Provisions applicable to the A and the B Option

- 3.8 In the event that the Employee shall cease to be a Relevant Employee in any circumstances, then the Employee (or his personal representatives in the case of his death) may exercise all or any part of the Options which have, at the time of the Employee's death or the termination of his employment, vested in the Employee as set out in Rules 3.1, 3.2, 3.3, 3.4 or 3.5 and, if the Employee is a Good Leaver before the Qualifying Trigger Event, then Rule 3.6 shall also apply. Any exercise of the Options pursuant to this Rule 3.8 must take place within 6 months of the date of the Employee's death or in any other case within 90 days from the date on which the Employee's employment terminated. If such exercise would not be permitted under the Listing Rules of the London Stock Exchange (or the rules of any other relevant Stock Exchange) within these periods, the period for exercise shall commence on the date when such restriction shall cease to apply.
- 3.9 Any rights to subscribe for Option Shares which have not vested on the date on which the Employee ceases to be a Relevant Employee shall, subject to Rule 3.6, lapse and terminate automatically on the date of such cessation.
- 3.10 The Options shall lapse and terminate automatically insofar as they have not been exercised whether by the Employee or by his personal representatives and whether or not any rights to subscribe for Option Shares have vested at 5.30 pm (London time) on 28th February 2004.
- 3.11 It shall be a condition of the Options being granted that in the event of the Employee ceasing to be a Relevant Employee (for whatever reason) he shall not be entitled to any compensation whatsoever by reason of lapse of his rights under the Options or by reason of any termination or alterations of rights or expectations thereunder.
- 4 Option to be personal to Employee

- 4.1 The Options shall be personal to the Employee and shall not be capable of being transferred or assigned by him but may be exercised by an Employee's personal representatives as provided in this Deed in the event of the death of the Employee.
- 4.2 The Employee shall in no way sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over in respect of the Options.
- 4.3 If the Employee does or suffers to be done any act or thing whereby he would or might be deprived of the legal or beneficial ownership of the Options then the Options shall lapse forthwith and the Company shall not knowingly permit the exercise of the Options.
- 5 Shares to be available and shares subscribed for to be subject to certain

restrictions

- 5.1 The Company shall at all times keep available sufficient unissued Ordinary Shares and Preference Shares to satisfy the Options to the extent that they are then outstanding except to the extent that arrangements are made for such

Options to the extent the same are then outstanding to be satisfied by the transfer of Ordinary Shares and Preference Shares which have already been issued.

5.2 The Employee acknowledges that any Ordinary Shares and Preference Shares issued to him (or to his personal representatives) pursuant to the exercise of either the A or B Options are to be treated as Shares of an Employee Member for the purposes of the Articles and accordingly will be subject, amongst other things, to the provisions of Article 5.

6 Alteration of capital of the Company

6.1 In the event of any capitalisation issue (other than a capitalisation issue to which section 249 Income and Corporation Taxes Act 1988 applies) or rights issue or any sub-division, consolidation, conversion or re-designation of Ordinary Shares and Preference Shares or any reduction of the share capital of the Company, the nominal value and/or the number of Ordinary Shares and Preference Shares which are the subject of the Options and/or the Exercise Price thereof shall be adjusted by the Board in such manner as the Auditors shall confirm in writing as being in their opinion fair and reasonable.

6.2 Any such adjustment shall be made on the basis that the amount payable by the Employee on full exercise of the Options shall remain as nearly as possible the same as (but shall not be greater than) it was before such event. Provided however that no such adjustment shall be made to the extent that it would result in a share being issued in consideration of the payment of an Exercise Price less than its nominal value.

6.3 If any adjustment falls to be made pursuant to Rule 6, the Company shall send to the Employee particulars of the revised basis of subscription or other exercise payment within 28 days after determination of the matter in question.

7 Procedure for exercise of the Option

7.1 The Options shall be exercisable by notice in writing given to the Company by the Employee, or after his death by his personal representatives in accordance with Rule 3 and (subject to Rule 3) the Options may be exercised at one time or from time to time in respect of Shares the subject of the Options. Until exercised in full, the Options shall be exercisable over the remaining Shares which are the subject of the Options up to the maximum specified in Rules 2.2 and 2.3.

7.2 Any notice exercising the Options shall not be treated as valid unless and until a remittance from or on behalf of the Employee for the full amount of the Exercise Price for each of the Ordinary Shares and Preference Shares in respect of which the notice is given has been received by the Company.

7.3 Subject to:

(a) such consents as may be necessary;

- (b) compliance with the terms of the Options;
- (c) if any of the shares subject to the Options are at the relevant time listed on the London Stock Exchange or permitted to be dealt in on the Alternative Investment Market:
 - (i) the Ordinary Shares in respect of which an Option has been exercised having been admitted to the Official List or permitted to be dealt in on the Alternative Investment Market (as the case may be) by the London Stock Exchange; and
 - (ii) there being no restriction (imposed by the Listing Rules of the London Stock Exchange or otherwise) on the allotment and issue of any shares to the Employee

the Company shall within 28 days after the later of the date of receipt of a notice exercising the Option and (if applicable) the receipt of the Auditors' confirmation under Rule 6 allot or procure the transfer of the Ordinary Shares and Preference Shares in respect of which such Option has been exercised to the Employee and deliver or procure the delivery of a definitive share certificate or other document or evidence of title in respect thereof to the Employee or his nominee, provided the Employee retains beneficial ownership.

8 Rights of Shares and listing

- 8.1 Any Ordinary Shares and Preference Shares allotted on any exercise of the Options shall on allotment rank pari passu in all respects with the then issued shares of the same class save as regards any rights attached thereto by reference to a record date prior to the date of such exercise and will be subject to all the provisions of the Articles of Association of the Company relating to voting, dividend, transfer, transmission and otherwise.
- 8.2 The Company will, if any of the shares the subject of the Options are at the relevant time listed on the London Stock Exchange or permitted to be dealt in on the Alternative Investment Market, apply to the London Stock Exchange for any shares of the same class in respect of which the Options have been exercised to be admitted to the Official List or permitted to be dealt in on the Alternative Investment Market (as the case may be) (except in cases where the Option is satisfied by the transfer of Shares which have already been admitted to the Official List or in respect of which permission has been granted for them to be dealt in on the Alternative Investment Market).

9 Taxation

9.1 This Rule 9.1 applies where:

- (a) the Company or any other person ("the Indemnified Party") is advised that it is required to account for, or on account of, income tax under sections 203-203L Income and Corporation Taxes Act 1988 (as amended from time to time) and any regulations made thereunder or employees'

national insurance contributions under paragraph 3 of Schedule 1 to the Social Security Contributions and Benefits Act 1992 (as amended from time to time) and any regulations made thereunder and/or by reason of any Inland Revenue or Department of Social Security practice then applicable; and

(b) the obligation to account for such tax or taxes or contributions arises as a consequence of the grant of the Option, exercise (in whole or in part) of the Option or the transfer of shares to the Employee following exercise of the Option.

9.2 Where Rule 9.1 applies, the Employee shall forthwith on demand being made pay to the Indemnified Party an amount equal to such tax or taxes or contributions to the extent that the Indemnified Party cannot obtain reimbursement of such tax, taxes or contributions by deducting such amount in accordance with regulation 7 of the Income Tax (Employments) Notional Payments) Regulations 1994 ("THE SHORTFALL"). Until full payment of the Shortfall has been made in accordance with this Rule 9.2 the Company shall, notwithstanding Rule 7 or any other Rule to the contrary, be entitled not to allot Ordinary Shares or Preference Shares or to withhold delivery of the share certificate or any other document or evidence of title in respect of the shares acquired following exercise of the Options.

It is hereby certified that the grant of these Options does not constitute a transaction forming part of a larger transaction or series of transactions in respect of which the amount or value, or aggregate amount or value of the consideration exceeds (Pounds)60,000.

10 Governing Law

10.1 This Agreement shall be governed by and construed and interpreted in accordance with the laws of England.

11 Notices

11.1 All notices and other communications required or permitted under this agreement shall be in writing and shall be delivered personally, sent by air courier (in the case of notices given by a party in one jurisdiction to a party in another), first class pre-paid post (in the case of a notice given by a party in one jurisdiction to a party in the same jurisdiction), telexed or sent by facsimile transmission (and promptly confirmed by air courier service in the case of notices sent from one jurisdiction to another) and by first class pre-paid post in the case of notices sent by a party in one jurisdiction to another party in the same jurisdiction. Any such notice shall be deemed given when so delivered personally, telexed or sent by facsimile transmission or air courier or first class pre-paid post to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

George E. Reese

34 Castle Hill Road,
Kenilworth CV8 1NB

The Company: if to the Company, to:

the Company

at its registered office for the time being

Attention: Chief Executive Officer

SIGNED as a DEED and)
DELIVERED by)
CASTLE TRANSMISSION SERVICES)
(HOLDINGS) LTD in the presence of:)
.....
Director
.....
Director/Secretary

SIGNED as a DEED and)
DELIVERED by)
GEORGE E. REESE)
in the presence of:)

.....
Witness (Signature)

Name:
Address:

Occupation

The Annexure

Example of IRR Calculation

Assumptions:	Example One	Example Two
Date Aggregate Investment made	28 Feb 97	28 Feb 97
Date public offering held	28 Nov 97	28 Nov 98
Aggregate Investment		

Preference Shares	999,000	999,000
Ordinary Shares	1,000	1,000

Aggregate Investment	1,000,000	1,000,000
Investment Gain & Return of Capital Required to Achieve 30% IRR [1]		

Redemption Proceeds	999,000	999,000
Value of Equity Shares	217,812	582,856

Total Proceeds to Achieve 30% IRR	1,216,812	1,581,856

[1] The internal rate of return was calculated using Microsoft Excel's XIRR function. Total proceeds assumed realised on date of public offering.

DATED 23 January 1998

CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD (1)
AND
DAVID IVY (2)

DEED OF GRANT OF OPTION

Norton Rose
London

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THIS DEED is made on 1998 BETWEEN:

- (1) CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD (registered number 3242381) whose registered office is situated at Warwick Technology Park, Gallows Hill, Heathcote Lane, Warwick CV34 6TN (the "COMPANY");
- (2) DAVID IVY of 136E Club Drive, Pittsburgh, PA 15236 (the "OPTIONHOLDER").

WHEREAS

- (A) In February 1997, the Company agreed to grant to the Optionholder an option to acquire a total of 40,000 Ordinary Shares and 39,960,000 Preference Shares of the Company at an exercise price of 1p per share;
- (B) This Deed sets out the terms relating to that option.

NOW THIS DEED WITNESSETH as follows:

1 DEFINITIONS

1.1 In this Deed the following expressions have the following meanings:

"AFFILIATE" means in relation to any company, any holding company of that company, any subsidiary of that company and any subsidiary of any such holding company ("subsidiary" and "holding company" having the meanings respectively ascribed to them by section 736 and 736A Companies Act 1985 (as amended));

"AUDITORS" means the auditors for the time being of the Company;

"BOARD" means the board of directors of the Company;

"CROWN CASTLE" means Crown Castle International Corporation, a Delaware corporation;

"EXERCISE PRICE" means the price per share at which the Optionholder is granted the right to acquire Ordinary Shares and Preference Shares on exercise of the Option, being 1p per Ordinary Share and 1p per Preference Share or such other price as may result from an adjustment pursuant to Rule 6;

"THE LONDON STOCK EXCHANGE" means the London Stock Exchange Limited;

"ORDINARY SHARE" means, subject to Rule 6, an Ordinary Share of 1p of the Company;

"PREFERENCE SHARE" means, subject to Rule 6, a Preference Share of 1p of the Company;

"RELEVANT EMPLOYEE" means a director or an employee of Crown Castle or any Affiliate thereof;

"SHARE CAPITAL" means the Company's entire issued share capital for the time being comprising all the issued Ordinary Shares and Preference Shares;

"TRANCHE OF SHARES" means, subject to Rule 6, 5,000 Ordinary Shares and 4,995,000 Preference Shares.

1.2 Any reference herein to any enactment shall be construed as including a reference to that enactment as the same may from time to time be amended or re-enacted.

1.3 Wherever the context so admits or requires words in the singular shall include the plural and vice versa.

2 GRANT OF OPTION

2.1 The Company hereby grants an option ("THE OPTION") by way of this Deed to the Optionholder, on and subject to the terms of this Deed.

2.2 The Option is to acquire on and subject to the terms of this Deed for cash at par one or more Tranches of Shares up to a maximum of eight Tranches of Shares (comprising in total 40,000 Ordinary Shares and 39,960,000 Preference Shares) (the "OPTION SHARES") at the Exercise Price, the total exercise price per Tranche of Shares being (Pounds)50,000.

2.3 No consideration is payable by the Optionholder for the grant of the Option.

3 VESTING, EXERCISE AND LAPSE OF THE OPTION

3.1 The Optionholder's rights to subscribe for Option Shares under this Deed shall vest in, and become exercisable by the Optionholder immediately on execution by the Optionholder and the Company of this Deed.

3.2 In the event that the Optionholder shall die or the Optionholder is no longer a Relevant Employee then the Optionholder (or his personal representatives in the case of his death or incapacity/disability) may exercise all or any part of the Option. Any exercise of the Option pursuant to this Rule 3.2 must take place within 12 months of the date of the Optionholder's death or in any other case within 180 days from the date on which the Optionholder's employment terminated or, if any shares of the Company are at the date of termination listed on the London Stock Exchange, New York Stock Exchange or similar alternative exchange or market, 90 days from the date on which the Optionholder shall cease to be a Relevant Employee other than in the case of death.

3.3 The Option shall lapse and terminate automatically insofar as it has not been exercised whether by the Optionholder or by his personal representatives and whether or not any rights to subscribe for Option Shares have vested at 5.30pm (London time) on 28th February 2007.

4 OPTION TO BE PERSONAL TO OPTIONHOLDER

- 4.1 The Option shall be personal to the Optionholder and shall not be capable of being transferred by him but may be exercised by an Optionholder's personal representatives subject to the provisions of this Deed in the event of the death or incapacity/disability of the Optionholder.
- 4.2 The Optionholder shall in no way sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over or in respect of the Option.
- 4.3 Except as permitted in Rule 4.1, if the Optionholder does or suffers to be done any act or thing whereby he is deprived of the legal or beneficial ownership of the Option then the Option shall lapse forthwith and the Company shall not knowingly permit the exercise of the Option.

5 SHARES TO BE AVAILABLE AND SHARES SUBSCRIBED FOR TO BE SUBJECT TO CERTAIN

RESTRICTIONS

- 5.1 The Company shall at all times keep available sufficient unissued Ordinary Shares and Preference Shares to satisfy the Option to the extent that it is then outstanding except to the extent that arrangements are made for such Option to the extent it is then outstanding to be satisfied by the transfer of Ordinary Shares and Preference Shares which have already been issued.
- 5.2 The Optionholder acknowledges that any Ordinary Shares and Preference Shares issued to him (or to his personal representatives) pursuant to the exercise of the Option are to be treated as Company Shares for the purposes of the Subscription Agreement dated 23rd January 1997 and entered into between the Optionholder, the Company and certain of the other shareholders of the Company (the "SUBSCRIPTION AGREEMENT") and accordingly are to be subject to clauses 2 and 3 of the Subscription Agreement. If so requested by the Company, the Optionholder agrees to execute an acknowledgement in favour of all parties to the Subscription Agreement in the terms set out in this clause.

6 ALTERATION OF CAPITAL OF THE COMPANY

- 6.1 In the event of any capitalisation issue (other than a capitalisation issue to which section 249 Income and Corporation Taxes Act 1988 applies) or rights issue or any sub-division or consolidation of Ordinary Shares and Preference Shares or any reduction of the share capital of the Company, the nominal value and/or the number of Ordinary Shares and Preference Shares which are the subject of the Option and/or the Exercise Price thereof shall be adjusted by the Board in such manner as the Auditors shall confirm in writing as being in their opinion fair and reasonable.
- 6.2 Any such adjustment shall be made on the basis that the amount payable by the Optionholder on full exercise of the Option shall remain as nearly as possible the same as (but shall not be greater than) it was before such event. Provided however that no such adjustment shall be made to the extent that it would result in a share being issued in consideration of the payment of an Exercise Price less

than its nominal value and the Company shall use its best efforts to prevent the Exercise Price from being subject to such nominal value limitation.

- 6.3 If any adjustment falls to be made pursuant to Rule 6, the Company shall send to the Optionholder particulars of the revised basis of subscription or other exercise payment within 28 days after determination of the matter in question.

7 PROCEDURE FOR EXERCISE OF THE OPTION

7.1 The Option shall be exercisable by notice in writing given to the Company by the Optionholder, or after his death or disability/incapacity by his personal representatives in accordance with this Deed, and (subject to Rule 3) the Option may be exercised at one time or from time to time in respect of one or more Tranches of Shares the subject of the Option. Until exercised in full, the Option shall be exercisable over the remaining Tranches of Shares which are the subject of the Option up to the maximum specified in Rule 2.2.

7.2 Any notice exercising the Option shall not be treated as valid unless and until a remittance from or on behalf of the Optionholder for the full amount of the Exercise Price for each of the Ordinary Shares and Preference Shares in respect of which the notice is given has been received by the Company.

7.3 Subject to:

- (a) such consents as may be necessary, if any;
- (b) compliance with the terms of the Option;
- (c) if any of the shares subject to the Option are at the relevant time listed on the London Stock Exchange or permitted to be dealt in on the Alternative Investment Market, the Ordinary Shares in respect of which an Option has been exercised having been admitted to the Official List or permitted to be dealt in on the Alternative Investment Market (as the case may be) by the London Stock Exchange;

the Company shall within 28 days after the later of the date of receipt of a notice exercising the Option and (if applicable) the receipt of the Auditors' confirmation under Rule 6 allot or procure the transfer of the Ordinary Shares and Preference Shares in respect of which such Option has been exercised to the Optionholder and deliver or procure the delivery of a definitive share certificate or other document or evidence of title in respect thereof to the Optionholder or his nominee or personal representative.

8 RIGHTS OF SHARES AND LISTING

8.1 Any Ordinary Shares and Preference Shares allotted on any exercise of the Option shall on allotment rank *pari passu* in all respects with the then issued shares of the same class save as regards any rights attached thereto by reference to a record date prior to the date of such exercise and will be subject to all the

provisions of the Articles of Association of the Company relating to voting, dividend, transfer, transmission and otherwise.

8.2 The Company will at its own cost and expense, if any shares the subject of the Option are at the relevant time listed on the London Stock Exchange or permitted to be dealt in on the Alternative Investment Market, apply to the London Stock Exchange for any shares of the same class in respect of which the Option has been exercised to be admitted to the Official List or permitted to be dealt in on the Alternative Investment Market (as the case may be) (except in cases where the Option is satisfied by the transfer of shares which have already been admitted to the Official List or in respect of which permission has been granted for them to be dealt in on the Alternative Investment Market). The Company will use its best efforts to cause the above results as to the London Stock Exchange or similar results if the shares of the Company are trading on the New York Stock Exchange or any similar alternative exchange or market.

9 TAXATION

9.1 This Rule 9.1 applies where:

- (a) the Company or any other person ("the Indemnified Party") is advised that it is required to account for, or on account of, income tax under sections 203-203L Income and Corporation Taxes Act 1988 (as amended from time to time) and any regulations made thereunder or employees' national insurance contributions under paragraph 3 of Schedule 1 to the Social Security Contributions and Benefits Act 1992 (as amended from time to time) and any regulations made thereunder and/or by reason of any Inland Revenue or Department of Social Security practice then applicable; and
- (b) the obligation to account for such tax or taxes or contributions arises as a consequence of the grant of the Option, exercise (in whole or in part) of the Option or the transfer of shares to the Optionholder following exercise of the Option.

9.2 Where Rule 9.1 applies the Company will so notify the Optionholder as soon as possible and the Optionholder shall forthwith on demand being made pay to the Indemnified Party an amount equal to such tax or taxes or contributions to the extent that the Indemnified Party cannot obtain reimbursement of such tax, taxes or contributions by deducting such amount in accordance with regulation 7 of the Income Tax (Employments) Notional Payments) Regulations 1994 ("THE SHORTFALL"). Until full payment of the Shortfall has been made in accordance with this Rule 9.2 the Company shall, notwithstanding Rule 7.3 or any other Rule to the contrary, be entitled not to allot Ordinary Shares or Preference Shares or to withhold delivery of the share certificate or any other document or evidence of title in respect of the shares acquired following exercise of the Option.

It is hereby certified that the grant of this Option does not constitute a transaction forming part of a larger transaction or series of transactions in respect of which

the amount or value, or aggregate amount or value of the consideration exceeds (Pounds)60,000.

10 GOVERNING LAW

10.1 This Agreement shall be governed by and construed and interpreted in accordance with the laws of England.

10.2 The Optionholder hereby irrevocably authorises and appoints Norose Notices Limited (AMC/99/Z806576) (for the attention of the Director of Administration) at the address of its registered office for the time being (or such other person resident in England as he may by notice to all other parties substitute) to accept service of all legal process arising out of or connected with this Agreement and service on Norose Notices Limited (or such substitute) shall be deemed to be served on the Optionholder concerned.

11 NOTICES

11.1 All notices and other communications required or permitted under this agreement shall be in writing and shall be delivered personally, sent by air courier (in the case of notices given by a party in one jurisdiction to a party in another), first class pre-paid post (in the case of a notice given by a party in one jurisdiction to a party in the same jurisdiction), telexed or sent by facsimile transmission (and promptly confirmed by air courier service in the case of notices sent from one jurisdiction to another) and by first class pre-paid post in the case of notices sent by a party in one jurisdiction to another party in the same jurisdiction. Any such notice shall be deemed given when so delivered personally, telexed or sent by facsimile transmission or air courier or first class pre-paid post to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

David Ivy

136E Club Drive
Pittsburgh
PA 15236
USA

The Company: if to the Company, to:

the Company

at its registered office for the time being

Attention: Chief Executive Officer

SIGNED as a DEED and)
DELIVERED by)
CASTLE TRANSMISSION SERVICES)
(HOLDINGS) LTD in the presence of:)

.....
Director

.....
Director/Secretary

SIGNED as a DEED and)
DELIVERED by)
DAVID IVY)

.....
Witness (Signature)

Name:
Address:

Occupation:

DATED 23 April 1998

CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD (1)
and
DAVID IVY (2)

DEED OF GRANT OF OPTION

Norton Rose
London

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THIS DEED is made on 1998 BETWEEN:

- (1) CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD (registered number 3242381) whose registered office is situated at Warwick Technology Park, Gallows Hill, Heathcote Lane, Warwick CV34 6TN (the "COMPANY");
- (2) DAVID IVY of 136E Club Drive, Pittsburgh, PA 15236 (the "OPTIONHOLDER").

WHEREAS:

- (A) At a Board Meeting of the Company in January 1998, the Company agreed to grant the Optionholder an option to acquire a total of:
 - (i) 10,000 Ordinary Shares of 1p each in the Company at an exercise price of 1p per share; and
 - (ii) 9,990,000 Preference Shares of 1p each in the Company at an exercise price of 1p per share,and to enter into certain other arrangements in relation to such shares.
- (B) This Agreement sets out the terms on which the Optionholder shall subscribe for such shares.

NOW THIS DEED WITNESSES as follows:

1 Definitions

1.1 In this Deed the following expressions have the following meanings:

"AFFILIATE" means in relation to any company, any holding company of that company, any subsidiary of that company and any subsidiary of any such holding company ("subsidiary" and "holding company" having the meanings respectively ascribed to them by section 736 and 736A Companies Act 1985 (as amended));

"AGGREGATE INVESTMENT" means the aggregate subscription monies paid by the Investors for shares of the Company;

"ARTICLES" means the Company's Articles of Association from time to time;

"AUDITORS" means the auditors for the time being of the Company;

"BAD LEAVER" means the Optionholder ceasing to be a Relevant Employee on or after 28 February 1998 in circumstances resulting from termination of the employment of the Optionholder with CCI or any of its Affiliates for Cause;

"BOARD" means the board of directors of the Company;

"CAUSE" in the context of termination of the Optionholder's employment, means, in each case as determined in good faith by a majority of CCI's Board of

Directors exclusive of any member subject to a "Cause" termination: (i) conviction of or a plea of guilty or nolo contendere to any criminal

violation involving dishonesty, fraud or breach of trust, or any serious crime which materially adversely affects CCI; or (ii) wilful engagement in gross misconduct in the performance of duties owed by the Optionholder to CCI which materially adversely affects CCI;

"CCI" means Crown Castle International Corporation, a Delaware corporation;

"CHANGE OF CONTROL" means any party (including an Investor) acquiring 45% or more of the Company's issued share capital or 40% or more of the Company's issued share capital being sold by any party or parties;

"EXERCISE PRICE" means the price per share at which the Optionholder is granted the right to acquire Ordinary Shares and Preference Shares on exercise of the A Option and the B Option, being 1p per Ordinary Share and 1p per Preference Share or such other price as may result from an adjustment pursuant to Rule 6;

"GOOD LEAVER" means the Optionholder ceasing to be a Relevant Employee other than as a Bad Leaver;

"INTERNAL RATE OF RETURN" shall be that rate at which all Investment Gain or return of capital to the Investors must be discounted to equal the Aggregate Investment. The internal rate of return shall be compounded annually. In calculating the internal rate of return each amount taken into account as Investment Gain or a return of capital shall be discounted from the date of distribution of such amount back to 28th February 1997 (or to the date of investment in respect of any share capital of the Company subscribed for by the Investors after 28th February 1997) with each period for which the calculation is made rounded to the nearest number of whole months. An example of the calculation of internal rate of return is set out in the annexure to this Agreement;

"INVESTMENT GAIN" means the aggregate of all:

- (a) dividends received in respect of Ordinary Shares or Preference Shares by the Investors;
- (b) proceeds of the redemption of Preference Shares paid to the Investors; and
- (c) the value of the Company's equity share capital held by the Investors on a public offering of the Company's Shares, a Qualifying Sale or a Change of Control, as the case may be;

"INVESTORS" means Berkshire Fund IV L.P., Berkshire Investors LLC, Candover Investments plc, Candover (Trustees) Limited and Candover Partners Limited (as general partner of each of the Candover 1994 UK Limited Partnership, the Candover 1994 UK No. 2 Limited Partnership, the Candover 1994 US No. 1 Limited Partnership and the Candover 1994 US No. 2 Limited Partnership,

TeleDiffusion de France International S.A. and CCI (including any successors to such entities);

"THE LONDON STOCK EXCHANGE" means the London Stock Exchange Limited;

"ORDINARY SHARE" means, subject to Rule 6, an Ordinary Share of 1p of the Company;

"PREFERENCE SHARE" means, subject to Rule 6, a Preference Share of 1p of the Company;

"QUALIFYING SALE" means the sale by an Investor of more than 25% of the Ordinary Shares and the Preference Shares then held by that Investor;

"RELEVANT EMPLOYEE" means a director or an employee of CCI or any Affiliate thereof;

"SHARE CAPITAL" means the Company's entire issued share capital for the time being comprising all the issued Ordinary Shares and Preference Shares;

1.2 Any reference herein to any enactment shall be construed as including a reference to that enactment as the same may from time to time be amended or re-enacted.

1.3 Wherever the context so admits or requires words in the singular shall include the plural and vice versa.

2 Grant of Options

2.1 The Company hereby grants two options (the "A OPTION" and the "B OPTION" respectively and together the "OPTIONS") by way of this Deed to the Optionholder, on and subject to the terms of this Deed.

2.2 The A Option is to acquire on and subject to the terms of this Deed for cash at par up to a maximum of 5,000 Ordinary Shares and 4,995,000 Preference Shares (the "A OPTION SHARES") at the Exercise Price.

2.3 The B Option is to acquire for cash at par up to a maximum of 5,000 Ordinary Shares and 4,995,000 Preference Shares (the "B OPTION SHARES") at the Exercise Price.

2.4 No consideration is payable by the Optionholder for the grant of the Options.

3 Exercise and lapse of the Options

The A Option

3.1 The Optionholder's rights to subscribe for A Option Shares under this Deed shall, subject to Rule 3.2, vest in and become exercisable by the Optionholder up to the maximum numbers of A Option Shares set out below provided that the

Optionholder is a Relevant Employee on the following dates (each a "SERVICE DATE"):

Service Date	Ordinary Shares	Preference Shares
28th February 1998	1,000	999,000
28th February 1999	1,000	999,000
28th February 2000	1,000	999,000
28th February 2001	1,000	999,000
28th February 2002	1,000	999,000
	=====	=====
Total number of A Option Shares	5,000	4,995,000

On successive Service Dates, A Option Shares which have vested on previous Service Dates but in respect of which the A Option has not been exercised will continue to be exercisable by the Optionholder subject to the provisions of this Deed.

3.2 The Optionholder's rights to subscribe for A Option Shares under this Deed shall vest in and become exercisable by the Optionholder in full on a Change of Control (to the extent they have not vested in the Optionholder at such time) provided the Optionholder is a Relevant Employee on the date of such Change of Control.

The B Option

- 3.3 (a) The Optionholder's rights to subscribe for B Option Shares under this Deed shall vest in and become exercisable by the Optionholder in full on the date of a Qualifying Trigger Event provided that the Optionholder is a Relevant Employee on such date.
- (b) For the purposes of this Rule 3.3 a "Qualifying Trigger Event" shall mean the issue of a certificate from the Company to the Optionholder certifying that:
- (i) a public offering of the shares of the Company has realised (or would have realised had the Investors elected to participate in such offering) for each of the Investors cash amounts equivalent to an internal rate of return in excess of 30% and a return equal to or in excess of 2.5 times the sums subscribed by the relevant Investor or Investors for shares of the Company ("THE HURDLE RETURN");
 - (ii) a Qualifying Sale has realised for the Investor in question cash amounts equivalent to the Hurdle Return; or
 - (iii) a Change of Control has realised for an Investor or Investors cash amounts equivalent to the Hurdle Return.

- 3.4 If any of the events described in Rule 3.3(b)(i), (ii) or (iii) shall occur but the Hurdle Return is not realised on such event, then the Company shall review, on the 28 February next following and on an annual basis until 28 February 2002 thereafter, whether the Hurdle Return has been achieved. If the Company shall certify that the Hurdle Return has been achieved then the issue of such certificate shall be treated as a Qualifying Trigger Event and the Optionholder's rights to subscribe for B Option Shares shall vest in full and become exercisable by the Optionholder on the date of such certificate provided that the Optionholder is a Relevant Employee on such date.
- 3.5 If the Optionholder is a Relevant Employee on 28th February 2002 in circumstances where a Qualifying Trigger Event has not occurred, the Company shall nevertheless certify to the Optionholder whether each of the Investors has achieved the Hurdle Return (Investment Gain for this purpose being calculated by reference to the value of the Company's equity share capital as at 28th February 2002). If the Company shall certify that the Hurdle Return has been achieved then the issue of such certificate shall be treated as a Qualifying Trigger Event and the Optionholder's rights to subscribe for the B Option Shares under this Deed shall vest in full and become exercisable by the Optionholder on the date of such certificate provided that the Optionholder is a Relevant Employee on such date.
- 3.6 If the Optionholder shall cease to be a Relevant Employee and is a Good Leaver before a Qualifying Trigger Event and between any of the dates mentioned in the first column below ("RELEVANT PERIODS") then the Optionholder shall be entitled to subscribe for such number of B Option Shares as are indicated in the second and third columns below on the occurrence of a Qualifying Trigger Event for the purposes of Rule 3.3, Rule 3.4 or Rule 3.5:

RELEVANT PERIODS (ALL DATES INCLUSIVE)	ORDINARY SHARES	PREFERENCE SHARES
28 February 1998 to 27 February 1999	1,250	1,248,750
28 February 1999 to 27 February 2000	1,250	1,248,750
28 February 2000 to 27 February 2001	1,250	1,248,750
28 February 2001 to 28 February 2002	1,250	1,248,750
	-----	-----
TOTALS	5,000	4,995,000

Rules 3.3, 3.4, or 3.5, as the case may be, shall apply mutatis mutandis to the question of whether a Qualifying Trigger Event has occurred.

3.7 If the Optionholder believes that the Company should have issued a certificate under Rules 3.3, 3.4, 3.5 or 3.6 but the Company disagrees, then the Optionholder or the Company may require the appointment of a suitably qualified independent third party ("THE EXPERT") to determine whether the criteria set out in Rule 3.3(b)(i), Rule 3.3(b)(ii), Rule 3.3(b)(iii), Rule 3.4 or Rule 3.5 have been satisfied so that the Company should have issued a certificate that a Qualifying Trigger Event has occurred and that the Hurdle Return has been achieved. If the Expert shall demonstrate that a Qualifying Trigger Event has occurred or the Hurdle Return has been achieved then Rule 3.3(a) shall apply and his costs shall be borne by the Company. In any other case the costs of the Expert shall be borne by the Optionholder. The Expert shall act as an expert and not as an arbitrator and failing agreement between the Company and the Optionholder as to his identity he shall be appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales.

C. Provisions applicable to the Options

3.8 In the event that the Optionholder shall cease to be a Relevant Employee in any circumstances, then the Optionholder (or his personal representatives in the case of his death or incapacity/disability) may exercise all or any part of the Options which have, at the time of the Optionholder's death or the termination of his employment, vested in the Optionholder as set out in Rules 3.1, 3.2, 3.3, 3.4 or 3.5 and, if the Optionholder is a Good Leaver before the Qualifying Trigger Event, then Rule 3.6 shall also apply. Any exercise of the Options pursuant to this Rule 3.8 must take place within 12 months of the date of the Optionholder's death or in any other case within 180 days from the date on which the Optionholder's employment terminated or, if any shares of the Company are at the date of termination listed on the London Stock Exchange, New York Stock Exchange or similar alternative exchange or market, 90 days from the date on which the Optionholder shall cease to be a Relevant Employee other than in the case of death. If such exercise would not be permitted under the Listing Rules of the London Stock Exchange (or the rules of any other relevant stock exchange) within these periods, the period for exercise shall commence on the date when such restriction would cease to apply.

3.9 Any rights to subscribe for the Option Shares which have not vested on the date on which the Optionholder ceases to be a Relevant Employee shall, subject to Rule 3.6, lapse and terminate automatically on the date of such cessation.

3.10 The Options shall lapse and terminate automatically insofar as they have not been exercised whether by the Optionholder or by his personal representatives and whether or not any rights to subscribe for Option Shares have vested at 5.30 pm (London time) on 28th February 2004.

3.11 It shall be a condition of the Options being granted that in the event of the Optionholder ceasing to be a Relevant Employee (for whatever reason) he shall not be entitled to any compensation whatsoever by reason of lapse of his rights

under the Options or by reason of any termination or alterations of rights or expectations thereunder.

4 Option to be personal to Optionholder

- 4.1 The Option shall be personal to the Optionholder and shall not be capable of being transferred by him but may be exercised by an Optionholder's personal representatives subject to the provisions of this Deed in the event of the death or incapacity/disability of the Optionholder.
- 4.2 The Optionholder shall in no way sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over or in respect of the Option.
- 4.3 Except as permitted in Rule 4.1, if the Optionholder does or suffers to be done any act or thing whereby he is deprived of the legal or beneficial ownership of the Option then the Option shall lapse forthwith and the Company shall not knowingly permit the exercise of the Option.

5 Shares to be available and shares subscribed for to be subject to certain

restrictions

- 5.1 The Company shall at all times keep available sufficient unissued Ordinary Shares and Preference Shares to satisfy the Options to the extent that they are then outstanding except to the extent that arrangements are made for such Options to the extent they are then outstanding to be satisfied by the transfer of Ordinary Shares and Preference Shares which have already been issued.
- 5.2 The Optionholder acknowledges that any Ordinary Shares and Preference Shares issued to him (or to his personal representatives) pursuant to the exercise of the Options are to be treated as Company Shares for the purposes of the Subscription Agreement dated 23rd January 1997 and entered into between the Optionholder, the Company and certain of the other shareholders of the Company (the "SUBSCRIPTION AGREEMENT") and accordingly are to be subject to clauses 2 and 3 of the Subscription Agreement. If so requested by the Company, the Optionholder agrees to execute an acknowledgement in favour of all parties to the Subscription Agreement in the terms set out in this clause.

6 Alteration of capital of the Company

- 6.1 In the event of any capitalisation issue (other than a capitalisation issue to which section 249 Income and Corporation Taxes Act 1988 applies) or rights issue or any sub-division or consolidation of Ordinary Shares and Preference Shares or any reduction of the share capital of the Company, the nominal value and/or the number of Ordinary Shares and Preference Shares which are the subject of the Options and/or the Exercise Price thereof shall be adjusted by the Board in such manner as the Auditors shall confirm in writing as being in their opinion fair and reasonable.
- 6.2 Any such adjustment shall be made on the basis that the amount payable by the Optionholder on full exercise of the Options shall remain as nearly as possible

the same as (but shall not be greater than) it was before such event. Provided however that no such adjustment shall be made to the extent that it would result in a share being issued in consideration of the payment of an Exercise Price less than its nominal value and the Company shall use its best efforts to prevent the Exercise Price from being subject to such nominal value limitation.

6.3 If any adjustment falls to be made pursuant to Rule 6, the Company shall send to the Optionholder particulars of the revised basis of subscription or other exercise payment within 28 days after determination of the matter in question.

7 Procedure for exercise of the Option

7.1 The Options shall be exercisable by notice in writing given to the Company by the Optionholder, or after his death or disability/incapacity by his personal representatives in accordance with this Deed, and (subject to Rule 3) the Options may be exercised at one time or from time to time in respect of Shares the subject of the Options. Until exercised in full, the Options shall be exercisable over the remaining Shares which are the subject of the Options up to the maximum specified in Rule 2.2 and 2.3.

7.2 Any notice exercising any Option shall not be treated as valid unless and until a remittance from or on behalf of the Optionholder for the full amount of the Exercise Price for each of the Ordinary Shares and Preference Shares in respect of which the notice is given has been received by the Company.

7.3 Subject to:

- (a) such consents as may be necessary, if any;
- (b) compliance with the terms of the Options;
- (c) if any of the shares subject to the Options are at the relevant time listed on the London Stock Exchange or permitted to be dealt in on the Alternative Investment Market, the Ordinary Shares in respect of which an Option has been exercised having been admitted to the Official List or permitted to be dealt in on the Alternative Investment Market (as the case may be) by the London Stock Exchange;

the Company shall within 28 days after the later of the date of receipt of a notice exercising an Option and (if applicable) the receipt of the Auditors' confirmation under Rule 6 allot or procure the transfer of the Ordinary Shares and Preference Shares in respect of which such Option has been exercised to the Optionholder and deliver or procure the delivery of a definitive share certificate or other document or evidence of title in respect thereof to the Optionholder or his nominee or personal representative.

8 Rights of Shares and listing

8.1 Any Ordinary Shares and Preference Shares allotted on any exercise of an Option shall on allotment rank pari passu in all respects with the then issued

shares of the same class save as regards any rights attached thereto by reference to a record date prior to the date of such exercise and will be subject to all the provisions of the Articles of Association of the Company relating to voting, dividend, transfer, transmission and otherwise.

- 8.2 The Company will at its own cost and expense, if any shares the subject of an Option are at the relevant time listed on the London Stock Exchange or permitted to be dealt in on the Alternative Investment Market, apply to the London Stock Exchange for any shares of the same class in respect of which an Option has been exercised to be admitted to the Official List or permitted to be dealt in on the Alternative Investment Market (as the case may be) (except in cases where the relevant Option is satisfied by the transfer of shares which have already been admitted to the Official List or in respect of which permission has been granted for them to be dealt in on the Alternative Investment Market). The Company will use its best efforts to cause the above results as to the London Stock Exchange or similar results if the shares of the Company are trading on the New York Stock Exchange or any similar alternative exchange or market.

9 Taxation

- 9.1 This Rule 9.1 applies where:

- (a) the Company or any other person ("the Indemnified Party") is advised that it is required to account for, or on account of, income tax under sections 203-203L Income and Corporation Taxes Act 1988 (as amended from time to time) and any regulations made thereunder or employees' national insurance contributions under paragraph 3 of Schedule 1 to the Social Security Contributions and Benefits Act 1992 (as amended from time to time) and any regulations made thereunder and/or by reason of any Inland Revenue or Department of Social Security practice then applicable; and
- (b) the obligation to account for such tax or taxes or contributions arises as a consequence of the grant of the Options, exercise (in whole or in part) of an Option or the transfer of shares to the Optionholder following exercise of the Option.

- 9.2 Where Rule 9.1 applies the Company will so notify the Optionholder as soon as possible and the Optionholder shall forthwith on demand being made pay to the Indemnified Party an amount equal to such tax or taxes or contributions to the extent that the Indemnified Party cannot obtain reimbursement of such tax, taxes or contributions by deducting such amount in accordance with regulation 7 of the Income Tax (Employments) Notional Payments) Regulations 1994 ("THE SHORTFALL"). Until full payment of the Shortfall has been made in accordance with this Rule 9.2 the Company shall, notwithstanding Rule 7.3 or any other Rule to the contrary, be entitled not to allot Ordinary Shares or Preference Shares or to withhold delivery of the share certificate or any other document or evidence of title in respect of the shares acquired following exercise of an Option.

It is hereby certified that the grant of these Options does not constitute a transaction forming part of a larger transaction or series of transactions in respect of which the amount or value, or aggregate amount or value of the consideration exceeds (Pounds)60,000.

10 Governing Law

10.1 This Agreement shall be governed by and construed and interpreted in accordance with the laws of England.

10.2 The Optionholder hereby irrevocably authorises and appoints Norose Notices Limited (AMC/99/Z806576) (for the attention of the Director of Administration) at the address of its registered office for the time being (or such other person resident in England as he may by notice to all other parties substitute) to accept service of all legal process arising out of or connected with this Agreement and service on Norose Notices Limited (or such substitute) shall be deemed to be served on the Optionholder concerned.

11 Notices

11.1 All notices and other communications required or permitted under this agreement shall be in writing and shall be delivered personally, sent by air courier (in the case of notices given by a party in one jurisdiction to a party in another), first class pre-paid post (in the case of a notice given by a party in one jurisdiction to a party in the same jurisdiction), telexed or sent by facsimile transmission (and promptly confirmed by air courier service in the case of notices sent from one jurisdiction to another) and by first class pre-paid post in the case of notices sent by a party in one jurisdiction to another party in the same jurisdiction. Any such notice shall be deemed given when so delivered personally, telexed or sent by facsimile transmission or air courier or first class pre-paid post to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

David Ivy

136E Club Drive
Pittsburgh
PA 15236
USA

The Company: if to the Company, to:

the Company

at its registered office for the time being

Attention: Chief Executive Officer

SIGNED as a DEED and)
DELIVERED by)
CASTLE TRANSMISSION SERVICES)
(HOLDINGS) LTD in the presence of:)

.....
Director

.....
Director/Secretary

SIGNED as a DEED and)
DELIVERED by)
DAVID IVY)
in the presence of:)

.....
Director

.....
Witness (Signature)

Name:
Address:

Occupation:

Example of IRR Calculation

Assumptions:	Example One ---	Example Two ---
Date Aggregate Investment made	28 Feb 97	28 Feb 97
Date public offering held	28 Nov 97	28 Nov 98
Aggregate Investment		

Preference Shares	999,000	999,000
Ordinary Shares	1,000	1,000

Aggregate Investment	1,000,000	1,000,000
Investment Gain & Return of Capital Required to Achieve 30% IRR [1]		

Redemption Proceeds	999,000	999,000
Value of Equity Shares	217,812	582,856

Total Proceeds to Achieve 30% IRR	1,216,812	1,581,856

[1] The internal rate of return was calculated using Microsoft Excels CSR function. Total proceeds assumed realised on date of public offering.

DATED 23 April 1998

CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD (1)
AND
TED B. MILLER, JR (2)

DEED OF GRANT OF OPTION

Norton Rose
London

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THIS DEED is made on 1998 BETWEEN:

- (1) CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD (registered number 3242381) whose registered office is situated at Warwick Technology Park, Gallows Hill, Heathcote Lane, Warwick CV34 6TN (the "COMPANY");
- (2) TED B. MILLER, JR of 11722 Wood Lane, Houston, Texas, TX 77024 (the "OPTIONHOLDER").

WHEREAS:

(A) At a Board Meeting of the Company in January 1998, the Company agreed to grant the Optionholder an option to acquire a total of:

- (i) 20,000 Ordinary Shares of 1p each in the Company at an exercise price of 1p per share;
- (ii) 30,000 Ordinary Shares of 1p each in the Company at an exercise price of 2.5p per share;
- (iii) 19,980,000 Preference Shares of 1p each in the Company at an exercise price of 1p per share; and
- (iv) 29,970,000 Preference Shares of 1p each in the Company at an exercise price of 2.5p per share,

and to enter into certain other arrangements in relation to such shares.

(B) This Agreement sets out the terms on which the Optionholder shall subscribe for such shares.

NOW THIS DEED WITNESSES as follows:

1 Definitions

1.1 In this Deed the following expressions have the following meanings:

"AFFILIATE" means in relation to any company, any holding company of that company, any subsidiary of that company and any subsidiary of any such holding company ("subsidiary" and "holding company" having the meanings respectively ascribed to them by section 736 and 736A Companies Act 1985 (as amended));

"AGGREGATE INVESTMENT" means the aggregate subscription monies paid by the Investors for shares of the Company;

"ARTICLES" means the Company's Articles of Association from time to time;

"AUDITORS" means the auditors for the time being of the Company;

"BAD LEAVER" means the Optionholder ceasing to be a Relevant Employee on or after 28 February 1998 in circumstances resulting from termination of the employment of the Optionholder with CCI or any of its Affiliates for Cause;

"BOARD" means the board of directors of the Company;

"CAUSE" in the context of termination of the Optionholder's employment, means, in each case as determined in good faith by a majority of CCI's Board of Directors exclusive of any member subject to a "Cause" termination: (i) conviction of or a plea of guilty or nolo contendere to

any criminal violation involving dishonesty, fraud or breach of trust, or any serious crime which materially adversely affects CCI; or (ii) wilful engagement in gross misconduct in the performance of duties owed by the Optionholder to CCI which materially adversely affects CCI;

"CCI" means Crown Castle International Corporation, a Delaware corporation;

"CHANGE OF CONTROL" means any party (including an Investor) acquiring 45% or more of the Company's issued share capital or 40% or more of the Company's issued share capital being sold by any party or parties;

"EXERCISE PRICE" means the price per share at which the Optionholder is granted the right to acquire Ordinary Shares and Preference Shares on exercise of the A Option and the C Option, being 1p per Ordinary Share and 1p per Preference Share or such other price as may result from an adjustment pursuant to Rule 6;

"GOOD LEAVER" means the Optionholder ceasing to be a Relevant Employee other than as a Bad Leaver;

"INTERNAL RATE OF RETURN" shall be that rate at which all Investment Gain or return of capital to the Investors must be discounted to equal the Aggregate Investment. The internal rate of return shall be compounded annually. In calculating the internal rate of return each amount taken into account as Investment Gain or a return of capital shall be discounted from the date of distribution of such amount back to 28th February 1997 (or to the date of investment in respect of any share capital of the Company subscribed for by the Investors after 28th February 1997) with each period for which the calculation is made rounded to the nearest number of whole months. An example of the calculation of internal rate of return is set out in the annexure to this Agreement;

"INVESTMENT GAIN" means the aggregate of all:

- (a) dividends received in respect of Ordinary Shares or Preference Shares by the Investors;
- (b) proceeds of the redemption of Preference Shares paid to the Investors; and

(c) the value of the Company's equity share capital held by the Investors on a public offering of the Company's Shares, a Qualifying Sale or a Change of Control, as the case may be;

"INVESTORS" means Berkshire Fund IV L.P., Berkshire Investors LLC, Candover Investments plc, Candover (Trustees) Limited and Candover Partners Limited (as general partner of each of the Candover 1994 UK Limited Partnership, the Candover 1994 UK No. 2 Limited Partnership, the Candover 1994 US No. 1 Limited Partnership and the Candover 1994 US No. 2 Limited Partnership, TeleDiffusion de France International S.A. and CCI (including any successors to such entities);

"THE LONDON STOCK EXCHANGE" means the London Stock Exchange Limited;

"ORDINARY SHARE" means, subject to Rule 6, an Ordinary Share of 1p of the Company;

"PREFERENCE SHARE" means, subject to Rule 6, a Preference Share of 1p of the Company;

"PREMIUM EXERCISE PRICE" means the price per share at which the Optionholder is granted the right to acquire Ordinary Shares and Preference Shares on exercise of the B Option and the D Option being 2.5p per Ordinary Share and 2.5p per Preference Share (representing a premium of 1.5p per share) or such other price as may result from an adjustment pursuant to Rule 6;

"QUALIFYING SALE" means the sale by an Investor of more than 25% of the Ordinary Shares and the Preference Shares then held by that Investor;

"RELEVANT EMPLOYEE" means a director or an employee of CCI or any Affiliate thereof;

"SHARE CAPITAL" means the Company's entire issued share capital for the time being comprising all the issued Ordinary Shares and Preference Shares;

1.2 Any reference herein to any enactment shall be construed as including a reference to that enactment as the same may from time to time be amended or re-enacted.

1.3 Wherever the context so admits or requires words in the singular shall include the plural and vice versa.

2 Grant of Options

2.1 The Company hereby grants four options (the "A OPTION", the "B OPTION", the "C OPTION" and the "D OPTION" respectively and together the "OPTIONS") by way of this Deed to the Optionholder, on and subject to the terms of this Deed.

2.2 The A Option is to acquire on and subject to the terms of this Deed for cash at par up to a maximum of 10,000 Ordinary Shares and 9,990,000 Preference Shares (the "A OPTION SHARES") at the Exercise Price.

- 2.3 The B Option is to acquire for cash at a premium of 1.5p per share up to a maximum of 15,000 Ordinary Shares and 14,985,000 Preference Shares (the "B OPTION SHARES") at the Premium Exercise Price.
- 2.4 The C Option is to acquire on and subject to the terms of this Deed for cash at par up to a maximum of 10,000 Ordinary Shares and 9,990,000 Preference Shares (the "C OPTION SHARES") at the Exercise Price.
- 2.5 The D Option is to acquire on and subject to the terms of this Deed for cash at a premium of 1.5p per share up to a maximum of 15,000 Ordinary Shares and 14,985,000 Preference Shares (the "D OPTION SHARES") at the Premium Exercise Price.
- 2.6 No consideration is payable by the Optionholder for the grant of the Options.

3 Exercise and lapse of the Options

The A Option

- 3.1 The Optionholder's rights to subscribe for A Option Shares under this Deed shall, subject to Rule 3.3, vest in and become exercisable by the Optionholder up to the maximum numbers of A Option Shares set out below provided that the Optionholder is a Relevant Employee on the following dates (each a "SERVICE DATE"):

Service Date -----	Ordinary Shares -----	Preference Shares -----
28th February 1998	2,000	1,998,000
28th February 1999	2,000	1,998,000
28th February 2000	2,000	1,998,000
28th February 2001	2,000	1,998,000
28th February 2002	2,000	1,998,000
	=====	=====
Total number of A Option Shares	10,000	9,990,000

On successive Service Dates, A Option Shares which have vested on previous Service Dates but in respect of which the A Option has not been exercised will continue to be exercisable by the Optionholder subject to the provisions of this Deed.

The B Option

- 3.2 The Optionholder's rights to subscribe for B Option Shares under this Deed shall, subject to Rule 3.3, vest in and become exercisable by the Optionholder up to the maximum numbers of B Option Shares set out below provided that the Optionholder is a Relevant Employee on the following dates (each a "SERVICE DATE"):

Service Date -----	Ordinary Shares -----	Preference Shares -----
28th February 1998	3,000	2,997,000
28th February 1999	3,000	2,997,000
28th February 2000	3,000	2,997,000
28th February 2001	3,000	2,997,000
28th February 2002	3,000	2,997,000
	=====	=====
Total number of B Option Shares	15,000	14,985,000

On successive Service Dates, B Option Shares which have vested on previous Service Dates but in respect of which the B Option has not been exercised will continue to be exercisable by the Optionholder subject to the provisions of this Deed.

- 3.3 The Optionholder's rights to subscribe for A Option Shares and B Option Shares under this Deed shall vest in and become exercisable by the Optionholder in full on a Change of Control (to the extent they have not vested in the Optionholder at such time) provided the Optionholder is a Relevant Employee on the date of such Change of Control.

The C Option and the D Option

- 3.4 (a) The Optionholder's rights to subscribe for C Option Shares and the D Option Shares under this Deed shall vest in and become exercisable by the Optionholder in full on the date of a Qualifying Trigger Event provided that the Optionholder is a Relevant Employee on such date.
- (b) For the purposes of this Rule 3.4 a "Qualifying Trigger Event" shall mean the issue of a certificate from the Company to the Optionholder certifying that:
- (i) a public offering of the shares of the Company has realised (or would have realised had the Investors elected to participate in such offering) for each of the Investors cash amounts equivalent to an internal rate of return in excess of 30% and a return equal to or in excess of 2.5 times the sums subscribed by the relevant Investor or Investors for shares of the Company ("THE HURDLE RETURN");
 - (ii) a Qualifying Sale has realised for the Investor in question cash amounts equivalent to the Hurdle Return; or
 - (iii) a Change of Control has realised for an Investor or Investors cash amounts equivalent to the Hurdle Return.

- 3.5 If any of the events described in Rule 3.4(b)(i), (ii) or (iii) shall occur but the Hurdle Return is not realised on such event, then the Company shall review, on the 28 February next following and on an annual basis until 28 February 2002 thereafter, whether the Hurdle Return has been achieved. If the Company shall certify that the Hurdle Return has been achieved then the issue of such certificate shall be treated as a Qualifying Trigger Event and the Optionholder's rights to subscribe for C Option Shares and the D Option Shares shall vest in full and become exercisable by the Optionholder on the date of such certificate provided that the Optionholder is a Relevant Employee on such date.
- 3.6 If the Optionholder is a Relevant Employee on 28th February 2002 in circumstances where a Qualifying Trigger Event has not occurred, the Company shall nevertheless certify to the Optionholder whether each of the Investors has achieved the Hurdle Return (Investment Gain for this purpose being calculated by reference to the value of the Company's equity share capital as at 28th February 2002). If the Company shall certify that the Hurdle Return has been achieved then the issue of such certificate shall be treated as a Qualifying Trigger Event and the Optionholder's rights to subscribe for C Option Shares and D Option Shares under this Deed shall vest in full and become exercisable by the Optionholder on the date of such certificate provided that the Optionholder is a Relevant Employee on such date.
- 3.7 If the Optionholder shall cease to be a Relevant Employee and is a Good Leaver before a Qualifying Trigger Event and between any of the dates mentioned in the first column below ("RELEVANT PERIODS") then the Optionholder shall be entitled to subscribe for such number of C Option Shares and D Option Shares as are indicated in the columns below on the occurrence of a Qualifying Trigger Event for the purposes of Rule 3.4, Rule 3.5 or Rule 3.6:

RELEVANT PERIODS (all dates inclusive)	ORDINARY SHARES		PREFERENCE SHARES	
	Pursuant to the C Option	Pursuant to the D Option	Pursuant to the C Option	Pursuant to the D Option
28 February 1998 to 27 February 1999	2,500	3,750	2,497,500	3,746,250
28 February 1999 to 27 February 2000	2,500	3,750	2,497,500	3,746,250
28 February 2000 to 27 February 2001	2,500	3,750	2,497,500	3,746,250
28 February 2001 to 28 February 2002	2,500	3,750	2,497,500	3,746,250
	-----	-----	-----	-----
TOTALS	10,000	15,000	9,990,000	14,985,000

Rules 3.4, 3.5, or 3.6, as the case may be, shall apply mutatis mutandis to the question of whether a Qualifying Trigger Event has occurred.

3.8 If the Optionholder believes that the Company should have issued a certificate under Rules 3.4, 3.5, 3.6 or 3.7 but the Company disagrees, then the Optionholder or the Company may require the appointment of a suitably qualified independent third party ("THE EXPERT") to determine whether the criteria set out in Rule 3.4(b)(i), Rule 3.4(b)(ii), Rule 3.4(b)(iii), Rule 3.5 or Rule 3.6 have been satisfied so that the Company should have issued a certificate that a Qualifying Trigger Event has occurred and that the Hurdle Return has been achieved. If the Expert shall demonstrate that a Qualifying Trigger Event has occurred or the Hurdle Return has been achieved then Rule 3.4(a) shall apply and his costs shall be borne by the Company. In any other case the costs of the Expert shall be borne by the Optionholder. The Expert shall act as an expert and not as an arbitrator and failing agreement between the Company and the Optionholder as to his identity he shall be appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales.

C. Provisions applicable to the Options

3.9 In the event that the Optionholder shall cease to be a Relevant Employee in any circumstances, then the Optionholder (or his personal representatives in the case of his death or incapacity/disability) may exercise all or any part of the Options which have, at the time of the Optionholder's death or the termination of his employment, vested in the Optionholder as set out in Rules 3.1, 3.2, 3.3, 3.4, 3.5 or 3.6 and, if the Optionholder is a Good Leaver before the Qualifying Trigger Event, then Rule 3.7 shall also apply. Any exercise of the Options pursuant to this Rule 3.9 must take place within 12 months of the date of the Optionholder's death or in any other case within 180 days from the date on which the Optionholder's employment terminated or, if any shares of the Company are at the date of termination listed on the London Stock Exchange, New York Stock Exchange or similar alternative exchange or market, 90 days from the date on which the Optionholder shall cease to be a Relevant Employee other than in the case of death. If such exercise would not be permitted under the Listing Rules of the London Stock Exchange (or the rules of any other relevant stock exchange) within these periods, the period for exercise shall commence on the date when such restriction would cease to apply.

3.10 Any rights to subscribe for the Option Shares which have not vested on the date on which the Optionholder ceases to be a Relevant Employee shall, subject to Rule 3.7, lapse and terminate automatically on the date of such cessation.

3.11 The Options shall lapse and terminate automatically insofar as they have not been exercised whether by the Optionholder or by his personal representatives and whether or not any rights to subscribe for Option Shares have vested at 5.30 pm (London time) on 28th February 2004.

3.12 It shall be a condition of the Options being granted that in the event of the Optionholder ceasing to be a Relevant Employee (for whatever reason) he shall not be entitled to any compensation whatsoever by reason of lapse of his rights under the Options or by reason of any termination or alterations of rights or expectations thereunder.

4 Option to be personal to Optionholder

- 4.1 The Option shall be personal to the Optionholder and shall not be capable of being transferred by him but may be exercised by an Optionholder's personal representatives subject to the provisions of this Deed in the event of the death or incapacity/disability of the Optionholder.
- 4.2 The Optionholder shall in no way sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over or in respect of the Option.
- 4.3 Except as permitted in Rule 4.1, if the Optionholder does or suffers to be done any act or thing whereby he is deprived of the legal or beneficial ownership of the Option then the Option shall lapse forthwith and the Company shall not knowingly permit the exercise of the Option.

5 Shares to be available and shares subscribed for to be subject to certain

restrictions

- 5.1 The Company shall at all times keep available sufficient unissued Ordinary Shares and Preference Shares to satisfy the Options to the extent that they are then outstanding except to the extent that arrangements are made for such Options to the extent they are then outstanding to be satisfied by the transfer of Ordinary Shares and Preference Shares which have already been issued.
- 5.2 The Optionholder acknowledges that any Ordinary Shares and Preference Shares issued to him (or to his personal representatives) pursuant to the exercise of the Options are to be treated as Company Shares for the purposes of the Subscription Agreement dated 23rd January 1997 and entered into between the Optionholder, the Company and certain of the other shareholders of the Company (the "SUBSCRIPTION AGREEMENT") and accordingly are to be subject to clauses 2 and 3 of the Subscription Agreement. If so requested by the Company, the Optionholder agrees to execute an acknowledgement in favour of all parties to the Subscription Agreement in the terms set out in this clause.

6 Alteration of capital of the Company

- 6.1 In the event of any capitalisation issue (other than a capitalisation issue to which section 249 Income and Corporation Taxes Act 1988 applies) or rights issue or any sub-division or consolidation of Ordinary Shares and Preference Shares or any reduction of the share capital of the Company, the nominal value and/or the number of Ordinary Shares and Preference Shares which are the subject of the Options and/or the Exercise Price/Premium Exercise Price thereof shall be adjusted by the Board in such manner as the Auditors shall confirm in writing as being in their opinion fair and reasonable.
- 6.2 Any such adjustment shall be made on the basis that the amount payable by the Optionholder on full exercise of the Options shall remain as nearly as possible the same as (but shall not be greater than) it was before such event. Provided however that no such adjustment shall be made to the extent that it would result in a share being issued in consideration of the payment of an Exercise Price (or

Premium Exercise Price as the case may be) less than its nominal value and the Company shall use its best efforts to prevent the Exercise Price (or Premium Exercise Price, as the case may be) from being subject to such nominal value limitation.

6.3 If any adjustment falls to be made pursuant to Rule 6, the Company shall send to the Optionholder particulars of the revised basis of subscription or other exercise payment within 28 days after determination of the matter in question.

7 Procedure for exercise of the Option

7.1 The Options shall be exercisable by notice in writing given to the Company by the Optionholder, or after his death or disability/incapacity by his personal representatives in accordance with this Deed, and (subject to Rule 3) the Options may be exercised at one time or from time to time in respect of Shares the subject of the Options. Until exercised in full, the Options shall be exercisable over the remaining Shares which are the subject of the Options up to the maximum specified in Rule 2.2, 2.3, 2.4 and 2.5.

7.2 Any notice exercising any Option shall not be treated as valid unless and until a remittance from or on behalf of the Optionholder for the full amount of the Exercise Price (or Premium Exercise Price as the case may be) for each of the Ordinary Shares and Preference Shares in respect of which the notice is given has been received by the Company.

7.3 Subject to:

- (a) such consents as may be necessary, if any;
- (b) compliance with the terms of the Options;
- (c) if any of the shares subject to the Options are at the relevant time listed on the London Stock Exchange or permitted to be dealt in on the Alternative Investment Market, the Ordinary Shares in respect of which an Option has been exercised having been admitted to the Official List or permitted to be dealt in on the Alternative Investment Market (as the case may be) by the London Stock Exchange;

the Company shall within 28 days after the later of the date of receipt of a notice exercising an Option and (if applicable) the receipt of the Auditors' confirmation under Rule 6 allot or procure the transfer of the Ordinary Shares and Preference Shares in respect of which such Option has been exercised to the Optionholder and deliver or procure the delivery of a definitive share certificate or other document or evidence of title in respect thereof to the Optionholder or his nominee or personal representative.

8 Rights of Shares and listing

8.1 Any Ordinary Shares and Preference Shares allotted on any exercise of an Option shall on allotment rank pari passu in all respects with the then issued

shares of the same class save as regards any rights attached thereto by reference to a record date prior to the date of such exercise and will be subject to all the provisions of the Articles of Association of the Company relating to voting, dividend, transfer, transmission and otherwise.

- 8.2 The Company will at its own cost and expense, if any shares the subject of an Option are at the relevant time listed on the London Stock Exchange or permitted to be dealt in on the Alternative Investment Market, apply to the London Stock Exchange for any shares of the same class in respect of which an Option has been exercised to be admitted to the Official List or permitted to be dealt in on the Alternative Investment Market (as the case may be) (except in cases where the relevant Option is satisfied by the transfer of shares which have already been admitted to the Official List or in respect of which permission has been granted for them to be dealt in on the Alternative Investment Market). The Company will use its best efforts to cause the above results as to the London Stock Exchange or similar results if the shares of the Company are trading on the New York Stock Exchange or any similar alternative exchange or market.

9 Taxation

- 9.1 This Rule 9.1 applies where:

- (a) the Company or any other person ("the Indemnified Party") is advised that it is required to account for, or on account of, income tax under sections 203-203L Income and Corporation Taxes Act 1988 (as amended from time to time) and any regulations made thereunder or employees' national insurance contributions under paragraph 3 of Schedule 1 to the Social Security Contributions and Benefits Act 1992 (as amended from time to time) and any regulations made thereunder and/or by reason of any Inland Revenue or Department of Social Security practice then applicable; and
- (b) the obligation to account for such tax or taxes or contributions arises as a consequence of the grant of the Options, exercise (in whole or in part) of an Option or the transfer of shares to the Optionholder following exercise of the Option.

- 9.2 Where Rule 9.1 applies the Company will so notify the Optionholder as soon as possible and the Optionholder shall forthwith on demand being made pay to the Indemnified Party an amount equal to such tax or taxes or contributions to the extent that the Indemnified Party cannot obtain reimbursement of such tax, taxes or contributions by deducting such amount in accordance with regulation 7 of the Income Tax (Employments) Notional Payments) Regulations 1994 ("THE SHORTFALL"). Until full payment of the Shortfall has been made in accordance with this Rule 9.2 the Company shall, notwithstanding Rule 7.3 or any other Rule to the contrary, be entitled not to allot Ordinary Shares or Preference Shares or to withhold delivery of the share certificate or any other document or evidence of title in respect of the shares acquired following exercise of an Option.

It is hereby certified that the grant of these Options does not constitute a transaction forming part of a larger transaction or series of transactions in respect of which the amount or value, or aggregate amount or value of the consideration exceeds (Pounds)60,000.

10 Governing Law

10.1 This Agreement shall be governed by and construed and interpreted in accordance with the laws of England.

10.2 The Optionholder hereby irrevocably authorises and appoints Norose Notices Limited (AMC/99/Z806576) (for the attention of the Director of Administration) at the address of its registered office for the time being (or such other person resident in England as he may by notice to all other parties substitute) to accept service of all legal process arising out of or connected with this Agreement and service on Norose Notices Limited (or such substitute) shall be deemed to be served on the Optionholder concerned.

11 Notices

11.1 All notices and other communications required or permitted under this agreement shall be in writing and shall be delivered personally, sent by air courier (in the case of notices given by a party in one jurisdiction to a party in another), first class pre-paid post (in the case of a notice given by a party in one jurisdiction to a party in the same jurisdiction), telexed or sent by facsimile transmission (and promptly confirmed by air courier service in the case of notices sent from one jurisdiction to another) and by first class pre-paid post in the case of notices sent by a party in one jurisdiction to another party in the same jurisdiction. Any such notice shall be deemed given when so delivered personally, telexed or sent by facsimile transmission or air courier or first class pre-paid post to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

Ted B Miller, Jr.

11722 Wood Lane
Houston
Texas 77024
USA

The Company: if to the Company, to:

the Company

at its registered office for the time being

Attention: Chief Executive Officer

SIGNED as a DEED and)
DELIVERED by)
CASTLE TRANSMISSION SERVICES)
(HOLDINGS) LTD in the presence of:)
Director

.....
Director/Secretary

SIGNED as a DEED and)
DELIVERED by)
TED B. MILLER, JR.)
in the presence of:)
Director

.....
Witness (Signature)

Name:
Address:

Occupation:

Example of IRR Calculation

Assumptions:	Example One ----	Example Two ----
Date Aggregate Investment made	28 Feb 97	28 Feb 97
Date public offering held	28 Nov 97	28 Nov 98
Aggregate Investment -----		
Preference Shares	999,000	999,000
Ordinary Shares	1,000	1,000
	-----	-----
Aggregate Investment	1,000,000	1,000,000
Investment Gain & Return of Capital Required to Achieve 30% IRR [1] -----		
Redemption Proceeds	999,000	999,000
Value Equity shares	217,812	582,856
	-----	-----
Total Proceeds to Achieve 30% IRR	1,216,812	1,581,856

[1] The internal rate of return was calculated using Microsoft Excels CSR function. Total proceeds assumed realized on date of public offering.

DATED 23 January 1998

CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD (1)
AND
TED B MILLER, JR. (2)

DEED OF GRANT OF OPTION

Norton Rose
London

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THIS DEED is made on 1998 BETWEEN:

- (1) CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD (registered number 3242381) whose registered office is situated at Warwick Technology Park, Gallows Hill, Heathcote Lane, Warwick CV34 6TN (the "COMPANY");
- (2) TED B. MILLER, JR. of 11722 Wood Lane, Houston, Texas TX 77024 (the "OPTIONHOLDER").

WHEREAS:

- (A) In February 1997, the Company agreed to grant to the Optionholder an option to acquire a total of 100,000 Ordinary Shares and 99,900,000 Preference Shares of the Company at an exercise price of 1p per share;
- (B) This Deed sets out the terms relating to that option.

NOW THIS DEED WITNESSETH as follows:

1 DEFINITIONS

1.1 In this Deed the following expressions have the following meanings:

"AFFILIATE" means in relation to any company, any holding company of that company, any subsidiary of that company and any subsidiary of any such holding company ("subsidiary" and "holding company" having the meanings respectively ascribed to them by section 736 and 736A Companies Act 1985 (as amended));

"AUDITORS" means the auditors for the time being of the Company;

"BOARD" means the board of directors of the Company;

"CROWN CASTLE" means Crown Castle International Corporation, a Delaware corporation;

"EXERCISE PRICE" means the price per share at which the Optionholder is granted the right to acquire Ordinary Shares and Preference Shares on exercise of the Option, being 1p per Ordinary Share and 1p per Preference Share or such other price as may result from an adjustment pursuant to Rule 6;

"THE LONDON STOCK EXCHANGE" means the London Stock Exchange Limited;

"ORDINARY SHARE" means, subject to Rule 6, an Ordinary Share of 1p of the Company;

"PREFERENCE SHARE" means, subject to Rule 6, a Preference Share of 1p of the Company;

"RELEVANT EMPLOYEE" means a director or an employee of Crown Castle or any Affiliate thereof;

"SHARE CAPITAL" means the Company's entire issued share capital for the time being comprising all the issued Ordinary Shares and Preference Shares;

"TRANCHE OF SHARES" means, subject to Rule 6, 5,000 Ordinary Shares and 4,995,000 Preference Shares.

1.2 Any reference herein to any enactment shall be construed as including a reference to that enactment as the same may from time to time be amended or re-enacted.

1.3 Wherever the context so admits or requires words in the singular shall include the plural and vice versa.

2 GRANT OF OPTION

2.1 The Company hereby grants an option ("THE OPTION") by way of this Deed to the Optionholder, on and subject to the terms of this Deed.

2.2 The Option is to acquire on and subject to the terms of this Deed for cash at par one or more Tranches of Shares up to a maximum of twenty Tranches of Shares (comprising in total 100,000 Ordinary Shares and 99,900,000 Preference Shares) (the "OPTION SHARES") at the Exercise Price, the total exercise price per Tranche of Shares being (Pounds)50,000.

2.3 No consideration is payable by the Optionholder for the grant of the Option.

3 VESTING, EXERCISE AND LAPSE OF THE OPTION

3.1 The Optionholder's rights to subscribe for Option Shares under this Deed shall vest in, and become exercisable by the Optionholder immediately on execution by the Optionholder and the Company of this Deed.

3.2 In the event that the Optionholder shall die or the Optionholder is no longer a Relevant Employee then the Optionholder (or his personal representatives in the case of his death or incapacity/disability) may exercise all or any part of the Option. Any exercise of the Option pursuant to this Rule 3.2 must take place within 12 months of the date of the Optionholder's death or in any other case within 180 days from the date on which the Optionholder's employment terminated or, if any shares of the Company are at the date of termination listed on the London Stock Exchange, New York Stock Exchange or similar alternative exchange or market, 90 days from the date on which the Optionholder shall cease to be a Relevant Employee other than in the case of death.

3.3 The Option shall lapse and terminate automatically insofar as it has not been exercised whether by the Optionholder or by his personal representatives and whether or not any rights to subscribe for Option Shares have vested at 5.30pm (London time) on 28th February 2007.

4 OPTION TO BE PERSONAL TO OPTIONHOLDER

- 4.1 The Option shall be personal to the Optionholder and shall not be capable of being transferred by him but may be exercised by an Optionholder's personal representatives subject to the provisions of this Deed in the event of the death or incapacity/disability of the Optionholder.
- 4.2 The Optionholder shall in no way sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over or in respect of the Option.
- 4.3 Except as permitted in Rule 4.1, if the Optionholder does or suffers to be done any act or thing whereby he is deprived of the legal or beneficial ownership of the Option then the Option shall lapse forthwith and the Company shall not knowingly permit the exercise of the Option.

5 SHARES TO BE AVAILABLE AND SHARES SUBSCRIBED FOR TO BE SUBJECT TO CERTAIN

RESTRICTIONS

- 5.1 The Company shall at all times keep available sufficient unissued Ordinary Shares and Preference Shares to satisfy the Option to the extent that it is then outstanding except to the extent that arrangements are made for such Option to the extent it is then outstanding to be satisfied by the transfer of Ordinary Shares and Preference Shares which have already been issued.
- 5.2 The Optionholder acknowledges that any Ordinary Shares and Preference Shares issued to him (or to his personal representatives) pursuant to the exercise of the Option are to be treated as Company Shares for the purposes of the Subscription Agreement dated 23rd January 1997 and entered into between the Optionholder, the Company and certain of the other shareholders of the Company (the "SUBSCRIPTION AGREEMENT") and accordingly are to be subject to clauses 2 and 3 of the Subscription Agreement. If so requested by the Company, the Optionholder agrees to execute an acknowledgement in favour of all parties to the Subscription Agreement in the terms set out in this clause.

6 ALTERATION OF CAPITAL OF THE COMPANY

- 6.1 In the event of any capitalisation issue (other than a capitalisation issue to which section 249 Income and Corporation Taxes Act 1988 applies) or rights issue or any sub-division or consolidation of Ordinary Shares and Preference Shares or any reduction of the share capital of the Company, the nominal value and/or the number of Ordinary Shares and Preference Shares which are the subject of the Option and/or the Exercise Price thereof shall be adjusted by the Board in such manner as the Auditors shall confirm in writing as being in their opinion fair and reasonable.
- 6.2 Any such adjustment shall be made on the basis that the amount payable by the Optionholder on full exercise of the Option shall remain as nearly as possible the same as (but shall not be greater than) it was before such event. Provided however that no such adjustment shall be made to the extent that it would result in a share being issued in consideration of the payment of an Exercise Price less

than its nominal value and the Company shall use its best efforts to prevent the Exercise Price from being subject to such nominal value limitation.

- 6.3 If any adjustment falls to be made pursuant to Rule 6, the Company shall send to the Optionholder particulars of the revised basis of subscription or other exercise payment within 28 days after determination of the matter in question.

7 PROCEDURE FOR EXERCISE OF THE OPTION

7.1 The Option shall be exercisable by notice in writing given to the Company by the Optionholder, or after his death or disability/incapacity by his personal representatives in accordance with this Deed, and (subject to Rule 3) the Option may be exercised at one time or from time to time in respect of one or more Tranches of Shares the subject of the Option. Until exercised in full, the Option shall be exercisable over the remaining Tranches of Shares which are the subject of the Option up to the maximum specified in Rule 2.2.

7.2 Any notice exercising the Option shall not be treated as valid unless and until a remittance from or on behalf of the Optionholder for the full amount of the Exercise Price for each of the Ordinary Shares and Preference Shares in respect of which the notice is given has been received by the Company.

7.3 Subject to:

- (a) such consents as may be necessary, if any;
- (b) compliance with the terms of the Option;
- (c) if any of the shares subject to the Option are at the relevant time listed on the London Stock Exchange or permitted to be dealt in on the Alternative Investment Market, the Ordinary Shares in respect of which an Option has been exercised having been admitted to the Official List or permitted to be dealt in on the Alternative Investment Market (as the case may be) by the London Stock Exchange;

the Company shall within 28 days after the later of the date of receipt of a notice exercising the Option and (if applicable) the receipt of the Auditors' confirmation under Rule 6 allot or procure the transfer of the Ordinary Shares and Preference Shares in respect of which such Option has been exercised to the Optionholder and deliver or procure the delivery of a definitive share certificate or other document or evidence of title in respect thereof to the Optionholder or his nominee or personal representative.

8 RIGHTS OF SHARES AND LISTING

8.1 Any Ordinary Shares and Preference Shares allotted on any exercise of the Option shall on allotment rank *pari passu* in all respects with the then issued shares of the same class save as regards any rights attached thereto by reference to a record date prior to the date of such exercise and will be subject to all the

provisions of the Articles of Association of the Company relating to voting, dividend, transfer, transmission and otherwise.

8.2 The Company will at its own cost and expense, if any shares the subject of the Option are at the relevant time listed on the London Stock Exchange or permitted to be dealt in on the Alternative Investment Market, apply to the London Stock Exchange for any shares of the same class in respect of which the Option has been exercised to be admitted to the Official List or permitted to be dealt in on the Alternative Investment Market (as the case may be) (except in cases where the Option is satisfied by the transfer of shares which have already been admitted to the Official List or in respect of which permission has been granted for them to be dealt in on the Alternative Investment Market). The Company will use its best efforts to cause the above results as to the London Stock Exchange or similar results if the shares of the Company are trading on the New York Stock Exchange or any similar alternative exchange or market.

9 TAXATION

9.1 This Rule 9.1 applies where:

- (a) the Company or any other person ("the Indemnified Party") is advised that it is required to account for, or on account of, income tax under sections 203-203L Income and Corporation Taxes Act 1988 (as amended from time to time) and any regulations made thereunder or employees' national insurance contributions under paragraph 3 of Schedule 1 to the Social Security Contributions and Benefits Act 1992 (as amended from time to time) and any regulations made thereunder and/or by reason of any Inland Revenue or Department of Social Security practice then applicable; and
- (b) the obligation to account for such tax or taxes or contributions arises as a consequence of the grant of the Option, exercise (in whole or in part) of the Option or the transfer of shares to the Optionholder following exercise of the Option.

9.2 Where Rule 9.1 applies the Company will so notify the Optionholder as soon as possible and the Optionholder shall forthwith on demand being made pay to the Indemnified Party an amount equal to such tax or taxes or contributions to the extent that the Indemnified Party cannot obtain reimbursement of such tax, taxes or contributions by deducting such amount in accordance with regulation 7 of the Income Tax (Employments) Notional Payments) Regulations 1994 ("THE SHORTFALL"). Until full payment of the Shortfall has been made in accordance with this Rule 9.2 the Company shall, notwithstanding Rule 7.3 or any other Rule to the contrary, be entitled not to allot Ordinary Shares or Preference Shares or to withhold delivery of the share certificate or any other document or evidence of title in respect of the shares acquired following exercise of the Option.

It is hereby certified that the grant of this Option does not constitute a transaction forming part of a larger transaction or series of transactions in respect of which

the amount or value, or aggregate amount or value of the consideration exceeds (Pounds)60,000.

10 GOVERNING LAW

10.1 This Agreement shall be governed by and construed and interpreted in accordance with the laws of England.

10.2 The Optionholder hereby irrevocably authorises and appoints Norose Notices Limited (AMC/99/Z806576) (for the attention of the Director of Administration) at the address of its registered office for the time being (or such other person resident in England as he may by notice to all other parties substitute) to accept service of all legal process arising out of or connected with this Agreement and service on Norose Notices Limited (or such substitute) shall be deemed to be served on the Optionholder concerned.

11 NOTICES

11.1 All notices and other communications required or permitted under this agreement shall be in writing and shall be delivered personally, sent by air courier (in the case of notices given by a party in one jurisdiction to a party in another), first class pre-paid post (in the case of a notice given by a party in one jurisdiction to a party in the same jurisdiction), telexed or sent by facsimile transmission (and promptly confirmed by air courier service in the case of notices sent from one jurisdiction to another) and by first class pre-paid post in the case of notices sent by a party in one jurisdiction to another party in the same jurisdiction. Any such notice shall be deemed given when so delivered personally, telexed or sent by facsimile transmission or air courier or first class pre-paid post to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

Ted B Miller, Jr.

11722 Wood Lane
Houston
Texas 77024
USA

The Company: if to the Company, to:

the Company

at its registered office for the time being

Attention: Chief Executive Officer

SIGNED as a DEED and)
DELIVERED by)
CASTLE TRANSMISSION SERVICES)
(HOLDINGS) LTD in the presence of:)
.....
Director
.....
Director/Secretary

SIGNED as a DEED and)
DELIVERED by)
TED B. MILLER, JR. in the presence of:)

.....
Witness (Signature)

Name:
Address:

Occupation:

EXHIBIT 11

CROWN CASTLE INTERNATIONAL CORP.

COMPUTATION OF NET LOSS

PER COMMON SHARE

(IN THOUSANDS OF DOLLARS, EXCEPT PER SHARE AMOUNTS)

	HISTORICAL					PRO FORMA	
	YEARS ENDED DECEMBER 31,			THREE MONTHS ENDED MARCH 31,		YEAR ENDED DECEMBER 31,	THREE MONTHS ENDED MARCH 31,
	1995	1996	1997	1997	1998	1997	1998
Net loss.....	\$ (21)	\$ (957)	\$ (11,942)	\$ (443)	\$ (6,606)	\$ (42,635)	\$ (13,544)
Dividends on Senior Convertible Preferred Stock.....	--	--	(2,199)	--	(2,055)	--	--
Net loss applicable to common stock for basic and diluted computations.....	\$(21)	\$(957)	\$(14,141)	\$ (443)	\$ (8,661)	\$(42,635)	\$(13,544)
Weighted-average number of common shares outstanding during the period for basic and diluted computations (in thousands).....	3,316	3,503	6,238	3,400	10,954	109,168	109,179
Loss per common share-- basic and diluted.....	\$(0.01)	\$(0.27)	\$ (2.27)	\$(0.13)	\$ (0.79)	\$ (0.39)	\$ (0.12)

SUBSIDIARIES OF CROWN CASTLE INTERNATIONAL CORP.

- I. Crown Castle International Corp. (Delaware) owns 100% of Crown Communication Inc. (Delaware).
 - A. Crown Communication Inc. owns 100% of the following entities:
 - 1. Crown Network Systems, Inc. (Pennsylvania).
 - 2. Crown Mobile Systems, Inc. (Pennsylvania).
 - 3. Spectrum Site Management Corporation (Delaware).
 - 4. Crown Castle International Corp. de Puerto Rico (Puerto Rico).
 - 5. TEA Group Incorporated (Georgia), which in turn owns 100% of the following entity:
 - a. TeleStructures, Inc. (Georgia).
 - 6. Crown Communication New York, Inc. (Delaware).
 - 7. Crown Communication Virginia, Inc. (Delaware).
- II. Crown Castle International Corp. owns 34.3% of Castle Transmission Services (Holdings) Ltd (England and Wales) ("CTSH").
 - A. CTSH owns 100% of the following entity:
 - 1. Castle Transmission International Ltd (England and Wales)., which in turn owns 100% of the following entities:
 - a. Castle Transmission (Finance) plc (England and Wales).
 - b. Castle Transmission International Pension Trust Ltd (England and Wales).